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February 1, 2011

***VIA ELECTRONIC FILING***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

**RE: Notice of Ex Parte: CG Docket 10-51**

Dear Ms. Dortch:

On January 27, 2011 Sean Belanger, CEO, John Harris, CTO and William Cobb, VP, Marketing, all of CSDVRS, LLC. ("ZVRS") met with Joel Gurin, Chief, Consumer and Governmental Affairs Bureau, Gregory Hlibok, Chief, Disabilities Rights Office, Diane Mason, Attorney, Disability Rights Office. During the meeting, as indicated by the attached presentation (confidential information redacted), CSDVRS discussed its history of providing services, an overview of the VRS industry as it presently operates, previously filed diagram regarding economies of scale, which summarizes the discussions about many of the key costs associated with providing VRS services at various minute volumes. CSDVRS further discussed the economies of scale achieved by VRS providers as minute volume increases and the critical role of innovation of new video phones, services and VI center staffing methodologies play in achieving significant economies of scale. Additionally, CSDVRS discussed with the Commission members the importance of competition among VRS providers, providing consumer choice, in ensuring that deaf and hard-of-hearing Americans have high-quality, reliable VRS services, and that those services continue to evolve to in the same rapid manner as mobile communications is today. Finally, the need for detailed technology standards to ensure realistic interoperability for videophones was discussed with the Commission attendees.

This letter is being filed for inclusion in the public record of the Commission's docket CG 10-51.

Sincerely Yours,



William Banks  
General Counsel

# Video Relay Service

CSDVRS, LLC

Sean Belanger, CEO

01/27/2011

# History

- CSD Video Relay Service founded in 2005
- Accepted First VRS Call 2005
- Began processing calls for Sprint 2005
- Spun-off into separate entity in 2006
- Established separate brand 2008 - The Z™

# History – Innovation

2008

- Launched MYP.TV - method for calling old generation videophones
- Rebuilt platform to enhance video phone interoperability and quality
- Launched VP-Alert - method for alerting on incoming video call their pager

2009

- Launched four new videophones 2009
  - Z340 - portable Video Phone
  - Z150 - Video Phone designed for Business and Government
  - Zojo - Video Phone designed for the home
  - Z4 - software based Videophone for Windows and MAC computers
- Launched Z-Connect – supports multiple video phones in a home
- Launched Z-Connect Plus - method for Z-150 to serve Business and Government

2/1/2011

Company Confidential and Proprietary

# History – Innovation

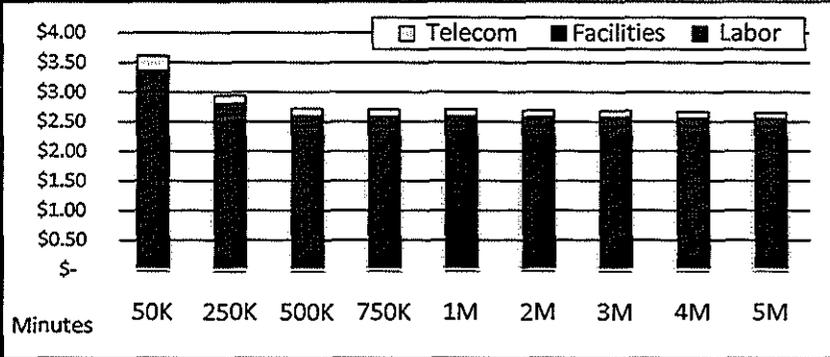
2010

- Launched Video Mail Service for VRS and P2P
- Launched - Facetime VRS for iPhone and iPod Touch
- Launched Z4 Mobile - videophone for Samsung Epic
- Launched Z4 Mobile - videophone for Samsung Tablet
- Z™ Products (Z340, Z150, Zojo, Z4) exceed minimum FCC standards for interoperability and numbering

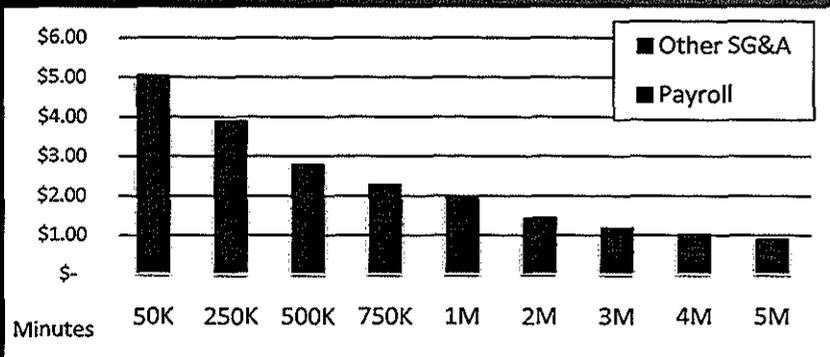
# 2011 Opportunities

- Z4 app for iPhone
- Z4 Mobile for Android Devices

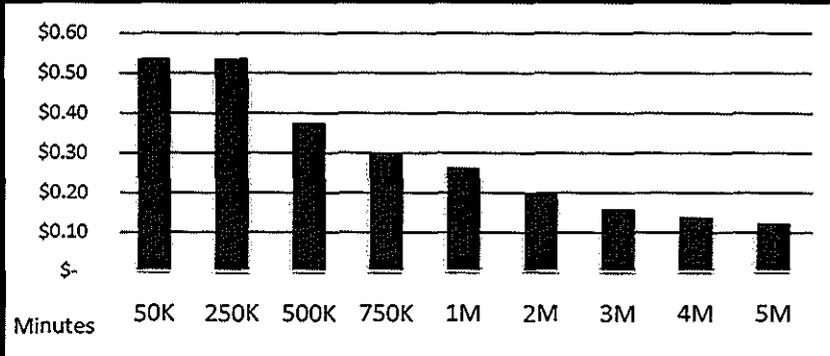
**VI Cost per Minute at Various Volumes**



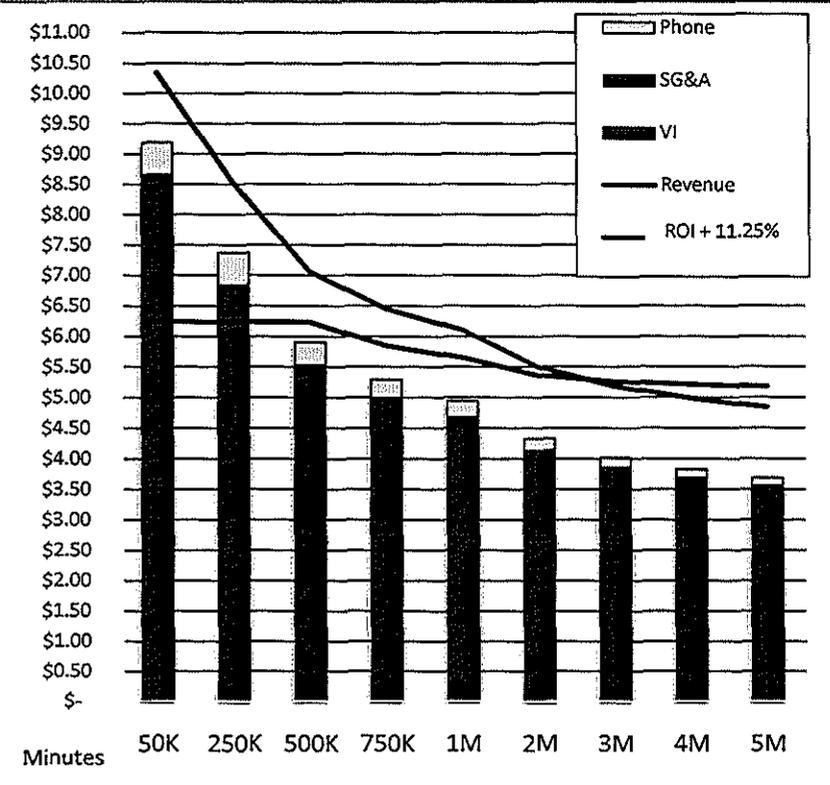
**SG&A Cost per Minute at Various Volumes**



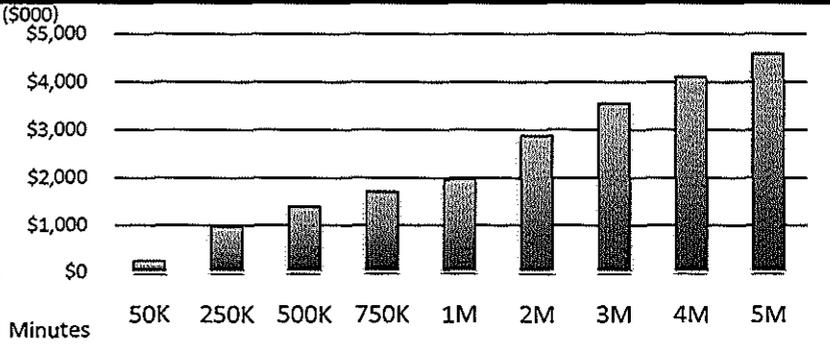
**Phone Cost per Minute at Various Volumes**



**Monthly Revenue & Costs per Minute at Various Volumes**



**SG&A Costs at Various Minute Volumes**



# The Industry Today

- Sorenson is dominant provider - 90% share  
Approximately: 130,000 devices
- 3 providers have distributed approximately 10,000 phones, primarily as secondary phones homes and/or business, government and education
- Other providers rely on “dial-around” or off-the-shelf technologies such as Facetime, iChat, or Adobe Air to receive VRS calls from VRS Users

# The Industry Today

- Sorenson VP200 has lock on the market
- Deaf/HOH comfortable with local number
- Deaf/HOH confused on their choices for communications
- 911 Service working very well

# The Industry Today

- 40/50% not using VRS due to cost of internet
- Less general VRS due to email, text and chat
- VRS calls are short; of a transactional nature

# What has worked

- Allowed competitors to innovate
- Allowed to inform consumers on communications choices
- Encouraged investment into the industry
- Implementation of enhanced 911 service
- Functional equivalence for numbering
- Improving service levels (Sorenson was forced to improve)
- Created 1000's jobs for the deaf and hard of hearing
- New mobile products introduced in 2010

## What has not worked?

- Dominant provider controls market
- Default selection thwarted by the dominant provider by the former FCC administration allowing elimination of features
- Market domination = extreme profits to support debt
- Fraud, waste and abuse
- Insufficient tech standards to insure interoperability
- Arbitrary withholding of payments by NECA

## Fraud Prevention

# The magical 4.3 minute call solution

- Proven model for best practices
- Simple payment formula - the lesser of the two calculated and paid monthly
  - Total monthly calls \* 4.3 Minutes \* rate
  - Total monthly minutes \* rate
- Use 4.3 minute call length as the Fraud Flag
- Forces interpreter training programs – inexperience interpreters cause calls to go longer

# Improvements/Competition for Existing Users

- Create a 90 day provider new default selection period for VP 200s
  - At the end of that period randomly assign unassigned numbers
- Establish \$15 monthly allowance for each videophone to be paid to VP equipment provider if phone is ported away
  - Covers cost of phones and service
- 2 year Commitment to the new Selected Provider
- Dial Around is preserved.
- Voucher System to allow consumers to buy new phones
- New phone sales also include selection and 2 year commitment

# Additional... Certification

- Minimum certification standards for interpreters:
  - NAD, RID, ACCL, NIC or State Certification Equivalent
- Certified VRS Providers must have completely automated Billing system. No interpreter intervention.
- Billing agent must be the platform provider or the platform provider must also be certified and have interpreting operations. (You cannot submit a bill to NECA unless the platform that created the call detail record is owned by a certified provider.)
- De-Certification at FCC option based on fraud and non-automated billing systems

# Transparency/Accountability

- Annual audited financial statements
- Audit of platform and billing system
  - Process audit not financial only
- Additional tiers to assist in the prevention of unreasonable share of the market

# Interoperability

- Any Video Phone subsidized and exclusively provided by a VRS company including softphones must Interoperate
- Phones that are available off the shelf with no subsidy should not have an interoperability requirement.
- Modification of off the shelf products to add a dialer; by example, FaceTime for Iphone with a dialer; should not have to interoperate.