

**Before the
Federal Communications Commission
Washington, DC 20054**

In the Matter of)	
)	
Telecommunications Relay Services and)	
Speech-to-Speech Services for Individuals)	
With Hearing and Speech Disabilities)	CG Docket No. 03-123
)	
Interstate Telecommunications Relay)	
Services Fund Payment Formula and)	
Fund Size Estimate 2011 – 2012 Fund)	
Year)	

REPLY COMMENTS OF AT&T

AT&T Services, Inc. (“AT&T”) files these Reply Comments in response to the Public Notice (“*Notice*”) released by the Federal Communications Commission (the “Commission”) pertaining to the payment formulas and Interstate Telecommunications Relay Services Fund (the “Interstate TRS Fund” or “Fund”) size estimate for the 2011 – 2012 Fund year.¹

I. INTRODUCTION

On May 4, 2011, the Commission released the *Notice* seeking comment on the compensation rates for Telecommunications Relay Services (“TRS”) proposed by the National Exchange Carrier Association (“NECA”), the current Interstate TRS Fund Administrator. In comments filed in response to the *Notice*, Hamilton Relay, Inc. (“Hamilton”)² and Sprint Nextel

¹ *National Exchange Carrier Association Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the July 2011 Through June 2012 Fund Year*, Public Notice, CG Docket No. 03-123, DA 11-826 (rel. May 4, 2011) .

² Comments of Hamilton Relay, Inc., CG Docket No. 03-123 (filed May 18, 2011).

Corporation (“Sprint”)³ advocate a reexamination of the data used by NECA to develop the proposed traditional TRS rate. Hamilton also proposes the application of the Multi-state Average Rate Structure (“MARS”) used for traditional TRS to IP Relay Service. AT&T agrees with Hamilton and Sprint that the Commission should reevaluate the traditional TRS rates proposed by NECA and continue to reimburse providers for traditional TRS minutes based upon the current rate until this analysis is complete. AT&T also agrees that the Commission should, in the future, apply the MARS rate to IP Relay.

II. DISCUSSION

A. The NECA Proposed Rates Should be Reevaluated.

Sprint proposes that the Commission reevaluate the MARS developed reimbursement rate for traditional TRS because the substantial reduction in the traditional TRS reimbursement rate is inconsistent with the trend in rates in those States where Sprint provides traditional TRS, where nine of 10 states have increased rates. AT&T’s experience is the same as Sprint’s—a higher, not lower, TRS rate in the state included in the MARS structure where AT&T provides traditional TRS.

Hamilton proposes a reevaluation of the traditional TRS rate because certain state rates were not considered in NECA’s analysis, including the State of California. Hamilton accurately observes that effective July 2010, the California traditional TRS rates are competitively bid rates and are no longer tied to the Interstate TRS rate, the previous basis for excluding the California rates. Thus, California rates for reimbursement of traditional TRS should be included in the MARS rate. AT&T also agrees with Hamilton that the Commission should consider a

³ Comments of Sprint Nextel Corporation, CG Docket No. 03-123 (filed May 18, 2011).

methodology for including in the calculation of the reimbursement rate for Interstate traditional TRS those states whose rates are not competitively bid.

For these reasons, the Commission should examine the traditional TRS rates proposed by NECA. Until that analysis is completed, the Commission should continue with the 2010 – 2011 rates.

B. The MARS Rate Should be Applied to IP Relay.

AT&T agrees with Hamilton that the MARS Rate should apply to IP Relay because the costs associated with IP Relay and traditional TRS are equivalent. As AT&T has previously advised the Commission, AT&T uses the same communications assistants (“CAs”) and equipment to provide IP Relay and traditional TRS, thus its cost in providing these two services is not materially different. AT&T joins Hamilton in encouraging the Commission to review its prior decision and consider applying the MARS rate to IP Relay calls.

Respectfully submitted,



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