

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities)	CG Docket No. 03-123
Structure and Practice of the Video Relay Service Program)	CG Docket No. 10-51
Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for the July 2012 Through June 2013 Fund Year)	

To: Secretary, FCC
For: Chief, Consumer & Governmental Affairs Bureau

COMMENTS OF HAMILTON RELAY, INC.

Hamilton Relay, Inc. (“Hamilton”), by its counsel, hereby submits these comments in response to the *Public Notice* (“*Notice*”) issued May 2, 2012 by the Consumer & Governmental Affairs Bureau (“Bureau”) in the above-captioned proceedings.¹ In the *Notice*, the Bureau seeks comment on the compensation rates for various forms of interstate Telecommunications Relay Services (“TRS”) for the period beginning July 1, 2012 through June 30, 2013. The proposed TRS compensation rates were submitted by the interstate TRS Fund Administrator (“Administrator”) in its May 1, 2012 filing (“*2012 TRS Rate Filing*”).²

As an initial matter, Hamilton appreciates the responsiveness of both the Commission and the Administrator to the concerns raised by members of the TRS industry during the

¹ *Rolka Loube Saltzer Associates Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the July 2012 Through June 2013 Fund Year*, Public Notice, CG Docket No. 03-123, CG Docket No. 10-51, DA 12-696 (rel. May 2, 2012) (“*Notice*”).

² See *Rolka Loube Saltzer Associates LLC, Interstate Telecommunications Relay Service Fund Payment Formula and Fund Size Estimate*, CG Docket No. 03-123 (filed May 1, 2012) (“*2012 TRS Rate Filing*”).

preparatory phase of the *2012 TRS Rate Filing*. Hamilton also appreciates the important guidance provided to the Administrator by the interstate TRS Advisory Council (“Council”) at the Council’s meeting on April 18, 2012. Because the issues discussed at the Council meeting have largely been addressed in the *2012 TRS Rate Filing*, Hamilton is pleased to support the Administrator’s proposed rates for 2012-2013, with one limited exception described below.

I. The MARS Calculation Should Include the Rates from All Relevant Jurisdictions

Since 2007, the Commission has used a weighted average of state TRS rates to calculate the Multi-state Average Rate Structure (“MARS”) compensation rates for traditional TRS, Speech-to-speech, Captioned Telephone Service (“CTS”) and Internet Protocol CTS (“IP CTS”).³ Hamilton supports the continued use of MARS for these services because it: a) is administratively efficient; b) is based on competitively bid rates; c) provides regulatory certainty to the industry; and d) provides reasonable cost reimbursements to TRS providers.

For the 2012-2013 funding year, the Administrator has proposed that the intrastate TRS and CTS rates for all states other than Michigan be included in the MARS calculation.⁴

Hamilton supports the inclusion of several states that have previously been omitted from the MARS calculation. However, Hamilton believes that it is unnecessary to exclude the state of Michigan as the Administrator has proposed.⁵ The Administrator proposes to exclude

Michigan’s intrastate TRS and CTS rates because “[f]rom the data collected and follow up

³ See *Telecommunications Relay Services and Speech-to-Speech for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-12, Report and Order and Declaratory Ruling, 22 FCC Rcd 20140 (2007). Hamilton notes that the IP Relay rate remains subject to a legacy ratesetting methodology. Hamilton continues to believe that the IP Relay rate should be tied to the MARS rate because, according to Hamilton’s individual costs, IP Relay costs are substantially similar to TRS costs.

⁴ *2012 TRS Rate Filing*, at 9. The TRS rates for 49 states, the District of Columbia, the U.S. Virgin Islands and Puerto Rico are included in the MARS calculation. See *id.*

⁵ *Id.*

discussions with the state contacts, the Administrator found, as the Commission indicated in the *Cost Recovery Order*, that Michigan continues to recover their relay service providers [sic] costs on a flat rate per subscriber basis instead of per minute basis and thus does not have data that can be used for MARS calculation purposes.”⁶

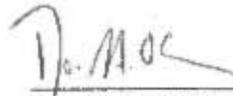
The use of a flat rate per subscriber model should not preclude inclusion of Michigan’s intrastate TRS and CTS rates in the MARS calculation. In fact, it is ultimately irrelevant how Michigan pays its relay provider or how that provider allocates its costs – as long as Michigan can report the total costs for intrastate TRS and CTS, and the total conversation minutes for those services, the Michigan information can and should be included in the MARS rate calculation.

II. Conclusion

Hamilton is pleased to support the Administrator’s proposals in the *2012 TRS Rate Filing*, with the limited exception noted above. Hamilton also believes that the collaborative process with which all stakeholders approached this year’s rate proceeding should serve as a model for future years.

Respectfully submitted,

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⁶ *Id.*