



July 13, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Notice of Ex Parte Conference
Structure and Practices of the Video Relay Service Program; Telecommunications Relay
Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities.
CG Docket No. 03-123 & CG Docket No. 10-51

Dear Ms. Dortch:

On July 11, Dan Luis from Purple Communications, Inc. (“Purple”) and the undersigned met with Priscilla Argeris of Commissioner Rosenworcel’s office and separately with Nicholas Degani of Commissioner Pai’s office to discuss the attached presentation related to pending VRS reform.

Purple reiterated prior positions emphasizing the importance of developing a VRS regulatory structure that produces: (i) a level playing field through the establishment of technical standards, (ii) a centralized registration and database system, and (iii) a migration to unitary rates after a reasonable transition period. Additionally, Purple noted its objection to Sorenson’s request for access of Outside Counsel’s Confidential or Highly information of Purple and other providers.

As context to the competition topic, Purple also noted in these meetings that Sorenson Communications captured its dominant market share position through actions later determined by the Commission to be prohibited, including tying arrangements, requiring minimum usage levels, and a closed network for call routing. Sorenson has retained its market position largely as a result of their: (a) refusal to allow customers to export their personal contact list data when porting to another VRS provider, and (b) failure to support certain engineering standards which would make interoperability and caller identification more effective for consumers and the providers who support them. Sorenson has further entrenched itself through predatory practices of disabling and/or confiscating competitor’s equipment in the homes of deaf Americans. The product of the Commission’s permissive stand relative to Sorenson’s actions is a remarkably uncompetitive VRS marketplace – a result which disadvantages consumers and the TRS fund. Purple advanced the position that, until such issues are effectively addressed by new Commission rules and enforcement, fair competition among VRS providers on the quality and merits of their service offering cannot be achieved. Absent a fair competition opportunity, any premature migration to a unitary rate serves to financially debilitate other VRS providers will represent an improper benefit to Sorenson. True interoperability and the portability of customer-owned address book information and the enablement of fair competition is the most critical first step in developing VRS market efficiency.

On July 12, Mr. Luis and the undersigned also met with Jonathan Chambers of the FCC’s Office of Strategic Planning where they discussed the same attached presentation and certain of the points noted above. The dialogue with Mr. Chambers also included encouragement by Purple for the FCC to adopt

policy changes that were substantial enough to achieve the Commission's original VRS reform goals, but practical enough to be reasonably implemented in the near term. Additionally, Purple and Mr. Chambers discussed the merits of: (a) a per-minute versus a per-user reimbursement model; (b) the rationale behind a tiered rate structure tied to provider scale; and (c) the elements of provider costs structures that are and are not sensitive to scale. For instance, Purple noted that while purely variable costs, such as the cost of interpreter labor (driven by labor and utilization rates), are not highly sensitive to provider scale, many other elements of a provider's cost structure have a fixed component that decreases with volume on a per-minute basis. At Mr. Chambers' request, Purple will provide additional detail and analysis on this topic.

The Company also echoed comments previously made by Sorenson pertaining to the need for clarity, and the negative impacts of policy and rate ambiguity relative to investment decision making.

Sincerely,

PURPLE COMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read 'JGLL', is positioned above the typed name of John Goodman.

John Goodman
Chief Legal Officer

CC: Priscilla Argeris, Commissioner Rosenworcel
Jonathan Chambers, Office of Strategic Planning
Nicholas Degani, Commissioner Pai