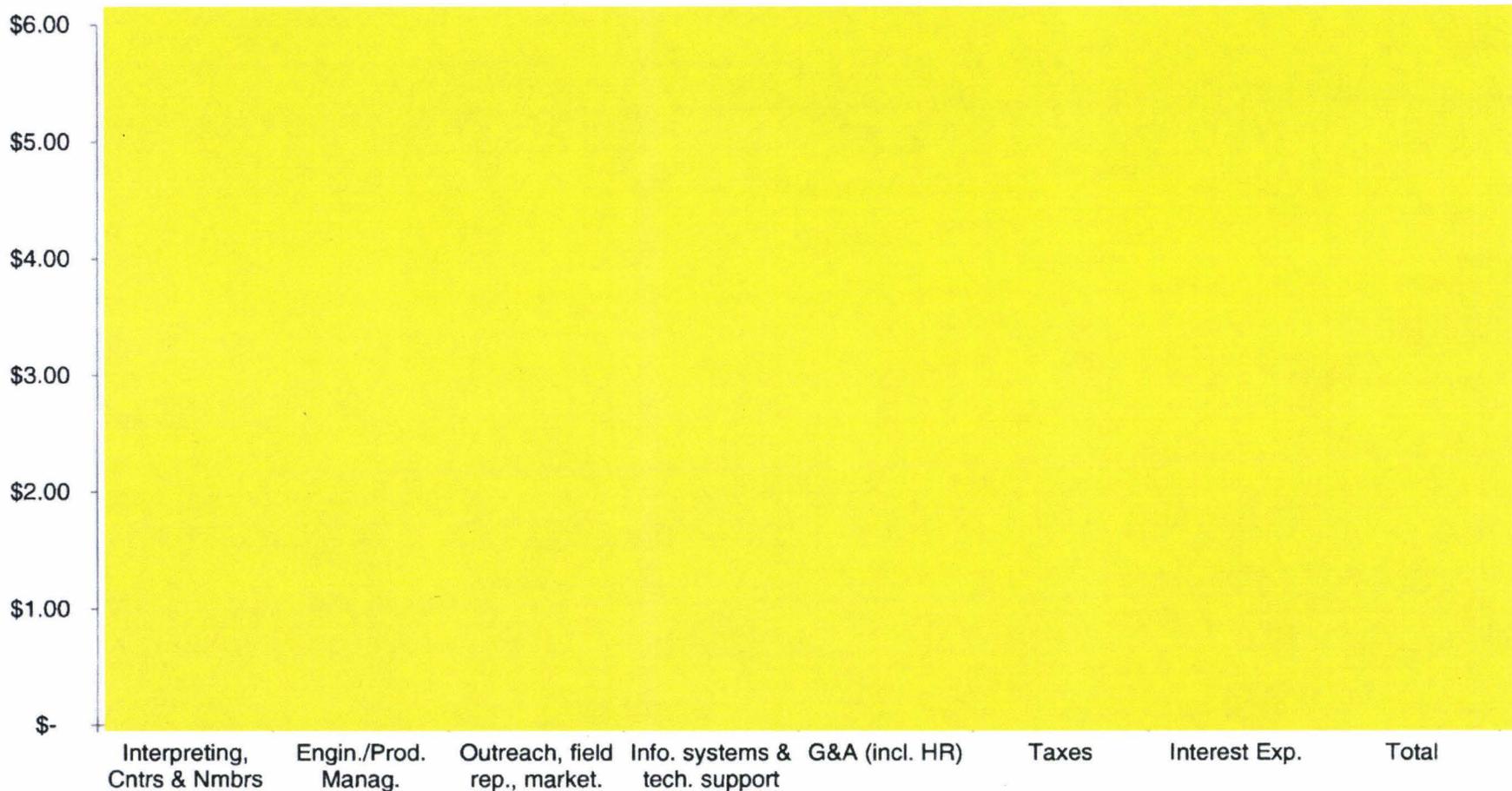


FURTHER NEAR/MEDIUM-TERM CUTS TO TIER 3 WILL HARM VRS SERVICE, INNOVATION, OUTREACH AND INTEROPERABILITY

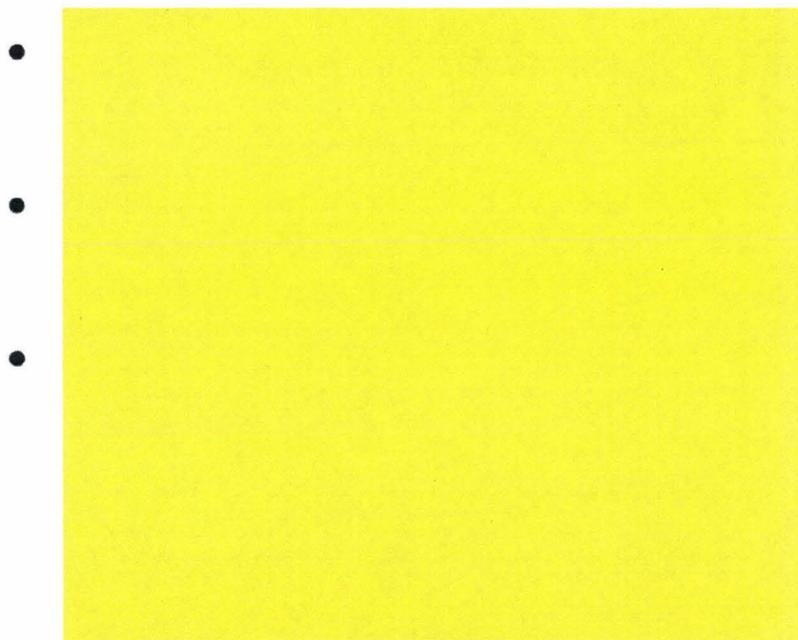
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Sorenson's VRS Costs per Minute (as of 12/31/2011)

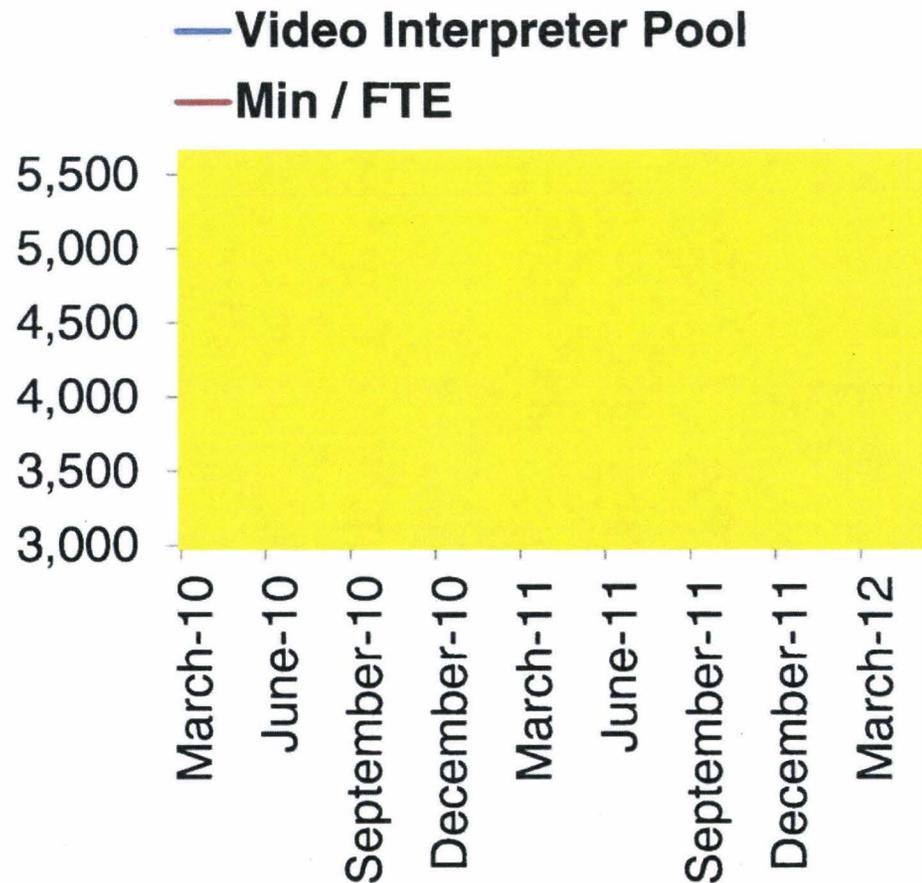


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Interpreting Costs Cannot be Reduced Further



- Proposed certification requirements could further increase upward pressure on wages.



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EXAMPLES OF “COMMUNITY” COMPENSATION GAP

Offered Rate

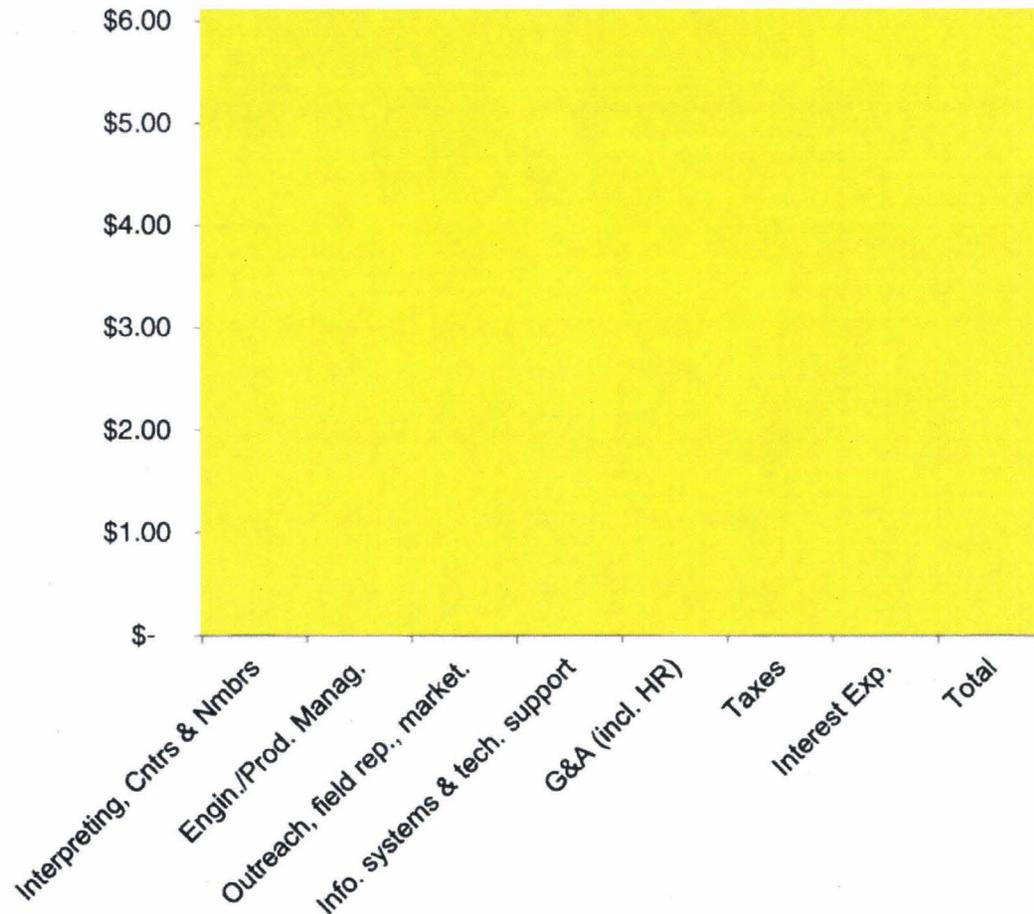
Local Sorenson Rate

[REDACTED]	[REDACTED]

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Cutting Engineering will Harm Innovation and “Off-the-Shelf” Development

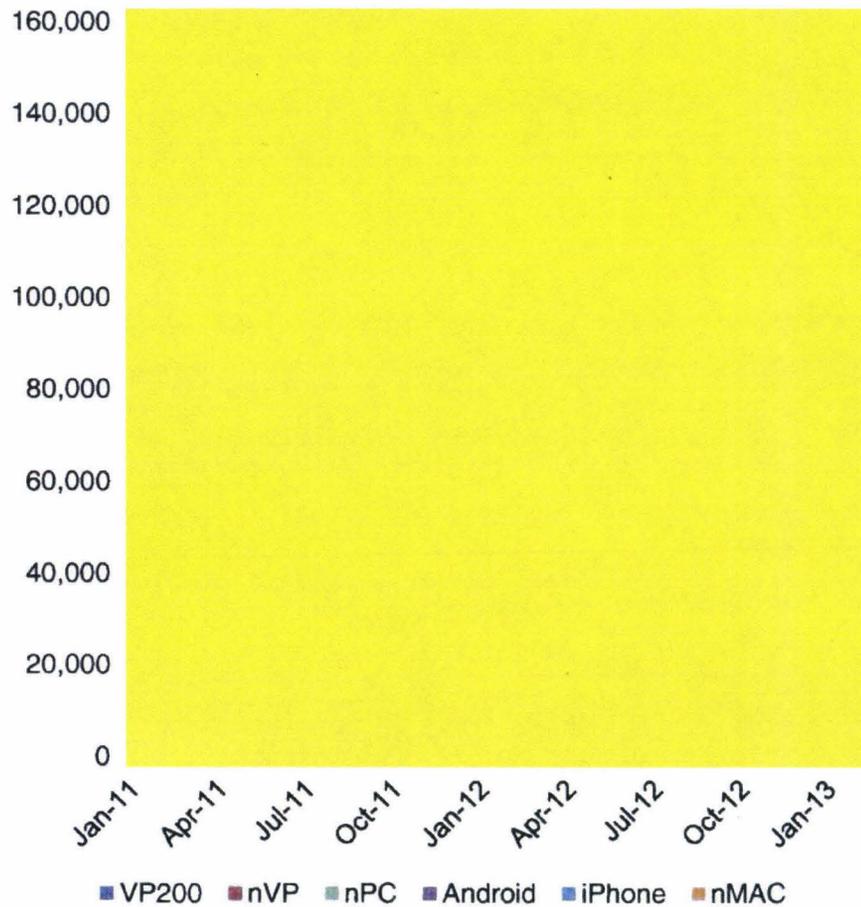
- Consumers have been demanding innovation across different VRS endpoints.
- Engineering costs are increasing to support endpoint diversity and innovation.
- Changes to interoperability requirements will further increase engineering costs.



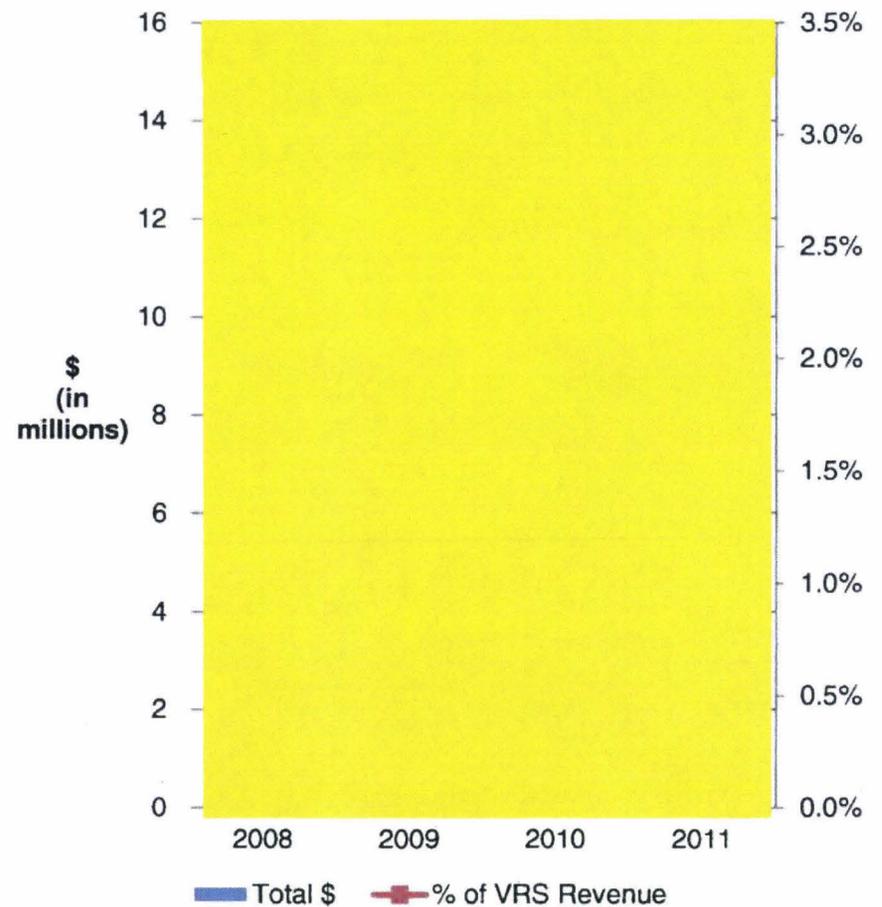
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Supporting More Endpoints Increases Engineering Costs

Growth in Endpoint Types/Users



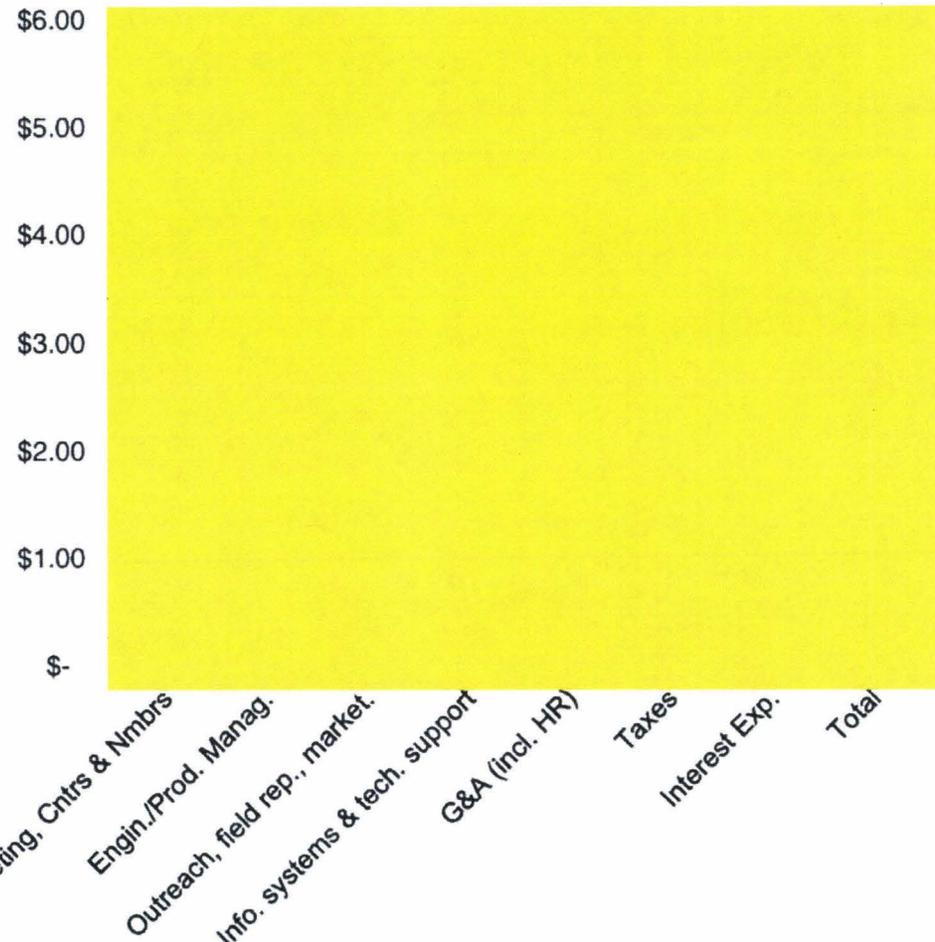
Growth in Engineering Expense



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Cutting Outreach/Marketing Further Will Reduce “New to Category” Adds

- Sorenson is the only provider that has focused substantially on “new to category” adds that fulfill the mission of universal functional equivalent service. Field staff is critical to “new to category” adds.
- Outreach/marketing reductions mean fewer field staff to conduct customer visits, installations, training and on-site troubleshooting, with longer waits for service/installation appointments.

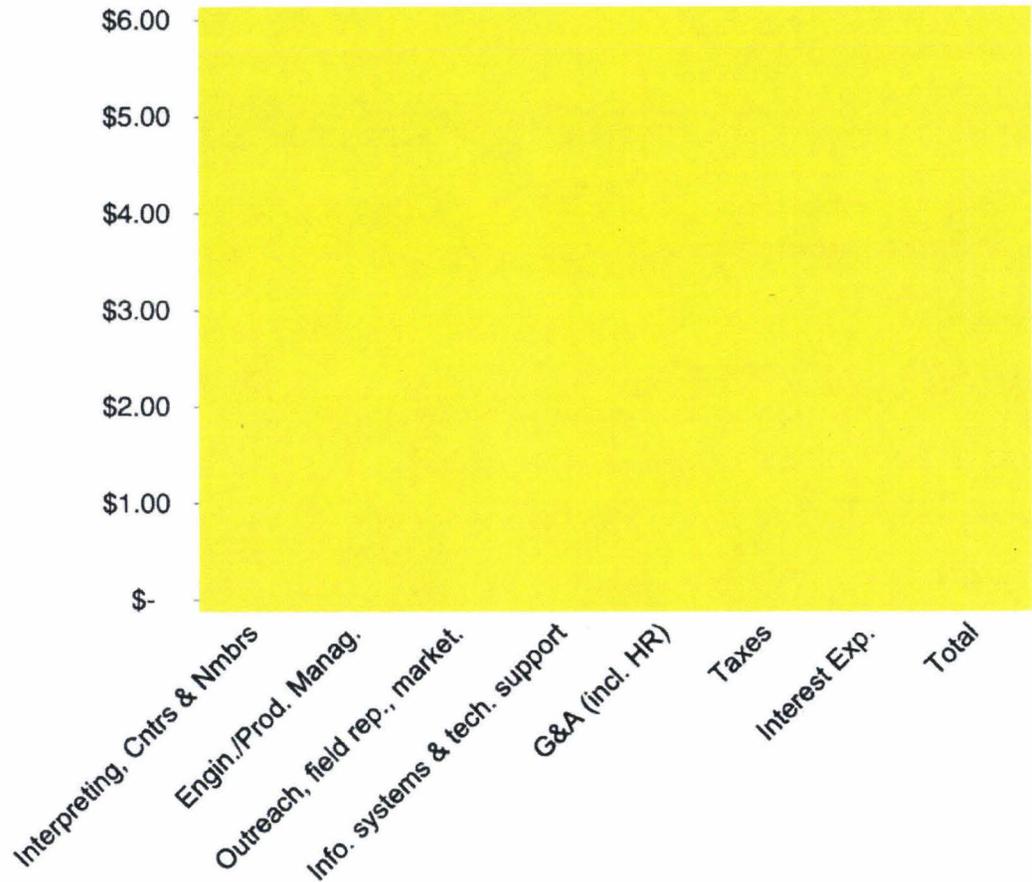


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IT and Technical Support Cannot Bear Significant Cost Reductions

- IT infrastructure is required to deliver VRS, support point-to-point, and provide enhanced features.
- Includes support for 10-digit numbering and E911 location and call delivery requirements.
- [Redacted]
- [Redacted]
- Further cuts would increase downtime, reduce system reliability and availability.



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