WILTSHIRE & GRANNIS LLP

December 18, 2012

Ex Parte

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

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

Dear Ms. Dortch:

On December 14, 2012, I, on behalf of Sorenson Communications, met with Jonathan Chambers, Acting Chief, Office of Strategic Planning and Policy Analysis, regarding the above-referenced proceeding. As in previous meetings, I told Mr. Chambers that the rate-of-return methodology and the proposed rates generated through a rate-of-return approach were not economically feasible, and that the comments filed by in this proceeding confirmed as much. A more rational approach would be, as Sorenson stated in its comments,[1] to set rates that approximate those that would be generated through a competitive bid that produced at least two winners. In such an approach, the Commission would consider all provider costs, not just a subset of costs. Moreover, proceeding along these lines, with appropriate transitions, would be much less likely to lead to service degradation and disruption. Such an approach presents a much more reasonable path to a functionally-equivalent VRS service that fulfills the Americans with Disabilities Act's commands.

We discussed the fact that there is little in the record, and there has been no notice to date, regarding an auction for a subset of VRS traffic, such as calls bound for government agencies or certain private entities that receive a large number of VRS calls. I noted that if the Commission were to auction VRS traffic to specific destinations, it would also have to find a way to auction separately the price of providing the call processing platform (i.e., the endpoint) used to support VRS calling. This type of single-destination auction would necessitate a two-part (i.e., hybrid) rate structure of the type discussed by VRS Consumers in their initial comments in response to the Commission's VRS FNPRM.[2]

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[1] Comments of Sorenson Communications, Inc. at 37-41, CG Docket Nos. 10-51 and 03-123 (filed Nov. 14, 2012).

[2] Comments of Consumer Groups at 48-52, CG Docket Nos. 10-51 and 03-123 (filed March 9, 20120).

Without Sorenson endorsing each of these, we also discussed the preliminary steps the Commission might want to take before it finalized and implemented an auction, including adopting new registration and verification requirements, such as a centralized database, the implementation of to-be-developed interoperability standards, and the implementation of any optional call routing platform that the Commission may create.

With respect to the implementation of an optional call routing platform, I stated that the Commission should consider how such a platform would affect compensation to a provider that elected to use it. In order to maintain competitive equity, and also to protect the TRS Fund from excess costs, it could make sense for a provider that elects to use such a platform to pay a user fee to do so. Such an approach would help to preserve the market-driven engine for feature innovation and implementation, which benefits VRS consumers. If, on the other hand, the use of the platform was subsidized or highly preferred, the Commission would discourage other providers from operating their own platforms and would discourage feature and service innovation.

I also urged, with respect to any glidepath on VRS rates, that the Commission move all VRS providers to a single tier, rather than perpetuating a multitier structure. The FNPRM set forth the reasons why a multitier structure is not consistent with the public interest and fails to push all providers toward increased efficiency.

Sincerely,

John T. Nakahata
Counsel to Sorenson Communications, Inc.

cc: Jonathan Chambers
Nicholas Alexander