

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:)
)
)
Telecommunications Relay Services) CG Docket No. 03-123
And Speech-to-Speech Services for)
Individuals with Hearing and Speech)
Disabilities)
)
Structure and Practices of the Video Relay) CG Docket No. 10-51
Service Program)
)
)

REPLY COMMENTS OF TOTAL CALL INTERNATIONAL, INC.

Total Call International, Inc. (“Total Call”), by its attorney, hereby submits these reply comments in response to the *Public Notice* (the “*Notice*”)¹ in the above-captioned proceedings. Total Call provides prepaid end-user telecommunications services in the United States. Total Call agrees with the overwhelming position of the commenters in this proceeding that the proposed increase in the Telecommunications Relay Services (“TRS”) Fund (the “Fund”) contribution factor is excessive and unjustified. The Commission should not allow the increase to take effect.

The *Notice* seeks comment on a whopping **121 percent increase** in the TRS contribution factor for the 2013-14 funding year. Specifically, the *Notice* seeks comment on the Fund administrator’s recommendation to adopt a contribution factor of .0233 per revenue dollar earned

¹ *Rolka Loube Saltzer Associates Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the July 2013 through June 2014 Fund Year*; PUBLIC NOTICE, in CG Docket Nos. 03-123, 10-51 (rel. May 17, 2013) (the “*Notice*”).

by all telecommunications service providers. This factor is proposed in order to support an estimated funding requirement of \$1.5436 billion for total TRS expenditures during the 2013-2014 Fund year, which is itself an increase of over \$800 million in TRS expenditures over the prior year's estimate.² Telecommunications carriers – and their customers, who ultimately must pay rates that will support TRS costs – cannot bear such a substantial increase in the TRS factor.

It is important to note that the TRS Fund administrator proposes a contribution factor that is the highest in the Fund's history. Prior to 2008-09, the TRS contribution factor was set at a fraction of a percent per revenue dollar. Over the past five years, the TRS factor has risen out of control, but typically still constituted approximately 1% of subject telecommunications revenue. However, with this latest fund estimate, the administrator's proposed contribution factor would be **more than twice** the amount of any factor in the history of the TRS Fund. The TRS Fund factors for the past five years have been as follows:

TRS Fund Year	Contribution Factor
2009-10	0.01137
2010-11	0.00585
2011-12	0.01058
2012-13	0.01053
2013-14	0.0233 (proposed)

Such a radical change in the contribution factor is unfair to contributors and the end user customers that ultimately will be forced to pay for the increase. Put simply, the proposed rate should not be permitted to take effect.

² Notice at 3.

Importantly, as the Commission is aware, contributors will pay into the TRS Fund based on revenues from 2012, which were reported on the FCC Form 499-A in April. Obviously, Total Call has no way to modify its contribution obligation for these past revenues, nor does it have any practical way to recoup the contribution obligation from those customers that generated the revenue causing the obligation.³ Instead, Total Call could only hope to recoup the contribution obligation from future customers. In the prepaid card business, however, it is extremely uncertain whether any such rate increases could be implemented without diminishing a carrier's market share in the prepaid card business. Moreover, even if Total Call could do so, the rate increase would have a negative impact on prepaid card customers, many of whom are among the lowest income consumers of telecommunications services.

As the Commission itself previously noted, “[t]he current rate-setting mechanism [for TRS] has also negatively affected the telecommunications carriers that are required to contribute to the TRS Fund.”⁴ The proposed contribution rate increase for 2013-14 is particularly harmful to prepaid calling card providers like Total Call because TRS contributions represent one of the largest regulatory obligations for prepaid calling card services. Consequently, any change in the TRS Fund contribution factor would have a significant impact on Total Call's operations.

The 2013-14 TRS Fund contribution factor fails any test of fairness or predictability. Providers were given no advance notice of the proposed rate increase and, as discussed above, have little or no opportunity to absorb a 121% increase in this cost. Therefore, Total Call

³ Moreover, carriers could not be expected to have anticipated an increase of the magnitude the Commission proposes. Thus, there was no way to recover the additional obligation in advance from end users.

⁴ *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, *Telecommunications Relay Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, FURTHER NOTICE OF PROPOSED RULEMAKING, ¶ 22 (rel. Dec. 15, 2011).

respectfully joins the initial commenters in urging the Commission to reject the proposed estimates and adopt a TRS contribution rate that furthers the goal of predictability and stability.

Respectfully submitted,

A handwritten signature in black ink that reads "Steven A. Augustino". The signature is written in a cursive style with a large, stylized initial "S".

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June 7, 2013