

December 31, 2013

Monica S. Desai
Direct Tel: 202-457-7535
Direct Fax: 202-457-6315
mdesai@pattonboggs.com

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

Re: **Notice of Ex Parte – CG Docket Nos. 03-123 and 10-51
Purple Communications, Inc.**

Dear Ms. Dortch:

Purple Communications, Inc. (“Purple”) hereby responds to a recent letter submitted by Sorenson Communications, Inc. (“Sorenson”) regarding the Inspector General’s audit of Sorenson for fiscal year 2011.¹ In particular, the Inspector General’s audit report finds that “TRS payments for VRS received by [Sorenson] did not compensate for only the reasonable costs of providing access to VRS. The VRS payments to [Sorenson] exceeded the actual costs it reported on the RSDR by [amount redacted in report] or [amount redacted in report].”² Based on that finding, the audit report concludes that certain amounts of the funds received by Sorenson are either “(1) not deemed to be compensable as reasonable costs of providing VRS or (2) are costs the reasonableness of which has not been examined by the Commission.”³ Purple believes the audit report speaks for itself. As the report reflects, Sorenson had an opportunity to review and set forth its objections to a draft of the report.⁴ The auditor reviewed those objections and, after evaluating them, specifically stated that it “stands by the findings and conclusions reached in our report.”⁵ Purple encourages Commission staff to read and interpret the published report for themselves.

While Purple disagrees with Sorenson’s characterization of the audit report, Purple fully agrees with Sorenson that the “allowable costs” that form the basis of providers’ annual cost submissions, and

¹ See Letter from John T. Nakahata, Counsel to Sorenson Communications, Inc., to Marlene H. Dortch, Secretary, FCC, CG Docket Nos. 10-51 and 03-123 (filed Dec. 17, 2013) (“Sorenson Dec. 17 Letter”); see also Office of Inspector General Memorandum, Report on the Audit of the Use of Funds Disbursed to and Received by Telecommunications Relay Service Providers – Sorenson Communications, Inc. (dated Sept. 27, 2012), available at: http://transition.fcc.gov/oig/Sorenson_Audit_Report_09272012_Redacted.pdf (“Sorenson Audit Report”); see also Letter from Monica Desai, Counsel to Purple Communications, Inc., to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte, CG Docket Nos. 03-123, 10-51 and 13-24 (filed Dec. 9, 2013) (“Purple Dec. 9 Ex Parte”).

² See Sorenson Audit Report at 5.

³ See Sorenson Audit Report at 5.

⁴ See Sorenson Audit Report, Appendix C.

⁵ See Sorenson Audit Report, Appendix B.

are the subject of the aforementioned audit, are incomplete, do not reflect all costs reasonably incurred by providers to furnish TRS services, and are fundamentally flawed. Purple has repeatedly commented on the urgent need for the Commission to revisit this methodology and/or to disregard such data completely in its setting of TRS rates.

Furthermore, Purple fully agrees with Sorenson that the Commission should expeditiously adopt a market-based rate for VRS through auction.⁶ Purple and Sorenson differ on how such an auction process should be structured, but both agree that establishing a market-based rate is the most effective way to achieve the Commission's goals of fostering a competitive marketplace in which multiple providers will be able to continue delivering high-quality, innovative services to consumers.⁷

By acting with urgency to establish a market-based rate through an auction or other mechanism, the Commission can help to ensure that the VRS program remains effective, efficient and sustainable for the benefit of consumers now and in the future.

Respectfully submitted,



Monica S. Desai
Patton Boggs LLP
2550 M Street, NW
Washington, DC 20037
(202) 457-7535
Counsel to Purple Communications, Inc.

⁶ See Sorenson Dec. 17 Letter at 3.

⁷ See, e.g., Purple Dec. 9 Ex Parte at 2; Reply Comments of Purple Communications, Inc., CG Docket Nos. 10-51 and 03-123 (filed Sept. 18, 2013).