ORDER

Adopted: January 14, 2021 Released: January 14, 2021

By the Chief, Consumer and Governmental Affairs Bureau:

I. INTRODUCTION

1. By this Order, the Consumer and Governmental Affairs Bureau (Bureau) of the Federal Communications Commission (FCC or Commission) dismisses as moot the Petition of Hamilton Relay, Inc. (Hamilton)\(^1\) for partial reconsideration of the Commission’s \(2019\) Order on Internet Protocol Captioned Telephone Service (IP CTS).\(^2\) Hamilton asks the Commission to reconsider the restrictions that the \(2019\) Order placed on IP CTS providers’ recovery of exogenous costs incurred in connection with the Telecommunications Relay Services (TRS) User Registration Database (User Database, or Database) during the period covered by interim IP CTS compensation rates.\(^3\) On November 30, 2020, Hamilton submitted a filing to withdraw the Petition.\(^4\) Because the interim rate regime ended prior to the commencement of Database implementation, we dismiss the Petition as moot.

II. BACKGROUND

2. In June 2018, the Commission adopted a notice of proposed rulemaking to establish a new TRS Fund compensation methodology for IP CTS.\(^5\) Pending completion of this rulemaking, the

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\(^3\) Petition at 10.


\(^5\) See Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket Nos. 13-24 and 03-
Commission set interim compensation rates for IP CTS providers for service provided between July 1, 2018, and June 30, 2020, pending adoption of a new rate-setting methodology. Subsequently, this interim rate period was extended through November 30, 2020.

3. In February 2019, the Commission amended its rules to require that IP CTS providers enter the identities of all their registered users in the User Database, a system of user records previously established by the Commission to prevent waste, fraud, and abuse in the TRS program. To allow IP CTS providers to recover their reasonable costs of implementing the Database requirement during the interim rate period, the Commission determined that providers could recover such costs in accordance with exogenous cost recovery guidelines previously established for video relay service (VRS), another form of TRS. In its Petition, Hamilton claims that application of these guidelines to limit recovery of IP CTS Database implementation costs is unlawful. Among other reasons, Hamilton argues that it is unreasonable to require that exogenous costs “belong to recoverable cost categories,” claiming no such cost categories have been adopted for IP CTS. On June 5, 2019, the Bureau placed the Petition on public notice and sought comment.

4. On September 30, 2020, the Commission adopted a new compensation methodology and rates for IP CTS, which became effective December 1, 2020. In its November 30, 2020 Withdrawal, Hamilton states that its Petition is now moot “in light of the Commission’s further action in this proceeding.”

III. DISCUSSION

5. We agree that the Petition is now moot. The 2019 Order addressed Database implementation cost recovery only for the interim rate period. During that period, which ended November 30, 2020, IP CTS providers were not required to take any actions to implement the registration implementation of the Database requirement.

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6 Id. at 5813-16, paras. 23-26.


9 Id. at 703-04, para. 26.

10 Petition at 2-4. Hamilton also claims that the requirement for a provider to demonstrate that failure to recover exogenous costs “may cause a provider’s current allowable-expense-plus-operating margin to exceed its IP CTS revenues” is procedurally improper, conflicts with the Commission’s stated goals for the service, and compounds alleged defects in the interim compensation regime. Petition at 4-10.


13 Hamilton Withdrawal at 1.
of IP CTS users in the Database, and no IP CTS provider has submitted claims for recovery or otherwise asserted that it incurred Database implementation costs. Going forward, any recovery of Database implementation costs will be subject to the compensation regime adopted in the 2020 IP CTS Compensation Order. Therefore, the alleged error that Hamilton identifies in the 2019 Order has had and will have no practical effect.

IV. ORDERING CLAUSES

6. Accordingly, IT IS ORDERED, pursuant to sections 4(i), 4(j), and 225 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), (j), 225, and the authority delegated in sections 0.141 and 0.361 of the rules, 47 CFR §§ 0.141, 0.361 that the Petition for Reconsideration of the 2019 Order filed by Hamilton IS DISMISSED as moot.

7. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Patrick Webre
Chief
Consumer and Governmental Affairs Bureau

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14 See 47 CFR § 64.611(j)(2)(iv) (requiring IP CTS providers to submit information to the Database beginning one year following notice from the Commission that the Database is ready to accept such information); see also 2019 Order, 34 FCC Rcd at 699, para. 17 (“[W]hen the Database is ready to accept IP CTS user data, the Commission or CGB will release a public notice initiating a data submission period for uploading registration information on all current IP CTS users.”). The public notice has not been issued.