



# NEWS

**Federal Communications Commission**  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

---

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

---

For Immediate Release:  
March 9, 2010

News Media Contact:  
Rosemary Kimball at (202) 418-0511  
e-mail: [rosemary.kimball@fcc.gov](mailto:rosemary.kimball@fcc.gov)

## PURPLE COMMUNICATIONS ACKNOWLEDGES DEBT, BEGINS PAYBACK TO TELECOMMUNICATIONS RELAY FUND

Washington, DC -- Purple Communications, a provider of telecommunications relay services, has signed an agreement with the FCC that puts in place the framework for repayment of funds that were inappropriately paid to the company. Under this agreement, Purple “acknowledges that the FCC [has stated that Purple has] a debt amounting to \$18,459,064, and has determined not to challenge the FCC’s position.” Under the agreement, the funds will be repaid to the National Exchange Carriers Association (NECA), which administers the government fund that pays for relay services for deaf and hard-of-hearing consumers. In return for this commitment, the FCC will instruct NECA to release payment to Purple for relay services provided in the month of December 2009, and will continue to reimburse for legitimate relay services provided by Purple month by month.

“We’re pleased that Purple has acknowledged its debt to the government and agreed to repay it,” said Joel Gurin, Chief of the Consumer and Governmental Affairs Bureau of the FCC. “Because this agreement enables Purple to continue doing business, it will also benefit Purple’s customers and employees. We look forward to Purple’s fulfillment of this agreement in the months ahead.”

This action follows a Declaratory Ruling, issued by the Consumer and Governmental Affairs Bureau of the FCC on February 25, that reaffirms the FCC’s rules regarding which calls can be compensated from the government relay fund. Relay services allow people with hearing disabilities to communicate with hearing people. In video relay service (VRS), this is done through an interpreter who can translate speech into American Sign Language and vice versa.

The Declaratory Ruling restates that government funds can only be used to pay for relay service for calls that involve at least one party in the United States. In addition, the Ruling restates that relay service for any calls made to or from the employees of a VRS provider – for example, for marketing or other business purposes – cannot be paid for at the minute-by-minute rate used to calculate payments for relay services provided to consumers. The costs of these business calls can, however, be submitted by VRS companies as part of the overhead that is used to calculate how the government will reimburse them.

The FCC calculated that Purple had been inappropriately paid by NECA for \$18.4 million in calls that either began and ended outside the U.S., or that were made to or from Purple employees. Purple has agreed to work with the FCC on a plan to repay this amount over time, and will have 180 days to develop a repayment plan with the FCC. Purple has also agreed to make an initial payment after it receives its December payment from NECA. While this agreement addresses Purple's debt obligation to the government, it does not affect any possible government investigations into Purple's business practices.

- FCC -