



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 15, 2015

The Honorable Mark Takano
U.S. House of Representatives
1507 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Takano:

Thank you for your letter urging the Commission to freeze the compensation rates for Video Relay Service (VRS) at the levels in effect on June 30, 2015, or until the Commission completes the transition to a market-based compensation methodology. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's ongoing review.

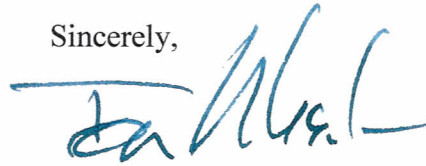
As you note, in 2013, the Commission unanimously adopted an Order and Notice of Proposed Rulemaking (NPRM) to reform the Video Relay Service (VRS) program. In that Order, the Commission recognized the benefits of having multiple VRS providers in order to ensure high quality, functionally equivalent service. The Commission adopted a gradual four-year schedule for adjusting rates in the direction of cost-based levels for that reason, as well as to improve the predictability of reimbursements and assist providers in planning efficiently for the transition to a new ratemaking approach that would use competitive bidding to establish market-based rates. In slowly adjusting the compensation rates during the period in which it is implementing structural reforms, the Commission is trying to give all VRS providers, and especially the smaller ones, a reasonable opportunity to grow, increase efficiency, and test the value of their service on a level playing field.

We are in the second of the four years contemplated by the Order to implement the various reforms and on track to successfully implement all of the steps outlined by the Commission in 2013. For example, on May 1, the Commission announced the award of a contract to develop an open source video access platform for use by VRS providers and the deaf community. The platform is intended to improve VRS interoperability and facilitate the use of point-to-point video communication by people who rely on American Sign Language (ASL). As for the rates specifically, in 2012 and 2013, the Commission received rate recommendations from the Telecommunications Relay Service (TRS) Fund Administrator, audits of the providers by the FCC Office of Inspector General, input from the industry and consumer groups, and internal analysis of the financial information submitted by the VRS providers. The Commission adopted a relatively gradual, steady four-year reduction in rates to the levels proposed by the TRS Fund Administrator and also consistent with recommendations by the Inspector General's office.

With respect to the specific issue you raise concerning freezing the VRS compensation rates, the Commission is currently considering a Further Notice of Proposed Rulemaking (FNPRM) that seeks comment on the proposal submitted by the six VRS providers, requesting a one-year delay in the four-year schedule of rate adjustments. The FNPRM, if adopted, would, after an abbreviated comment period in light of the timing concerns highlighted by consumers, consider the providers' petition; it would also seek comment on other proposals, such as a temporary freeze for providers below a certain threshold of minutes and that may serve communities that larger VRS providers do not target. The Commission will consider these arguments, as well as the data submitted, as part as its oversight of VRS programs and compensation rates.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a horizontal line extending from the end of the signature.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 15, 2015

The Honorable Kevin Yoder
U.S. House of Representatives
215 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Yoder:

Thank you for your letter urging the Commission to freeze the compensation rates for Video Relay Service (VRS) at the levels in effect on June 30, 2015, or until the Commission completes the transition to a market-based compensation methodology. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's ongoing review.

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Tom Wheeler