

## STATEMENT OF CHAIRMAN AJIT PAI

Re: *Misuse of Internet Protocol (IP) Captioned Telephone Service*, CG Docket No. 13-24;  
*Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123

Today, we take up reform of a service called Internet Protocol Captioned Telephone Service, or IP CTS. This service makes a meaningful difference in the daily lives of many Americans with hearing loss. IP CTS allows people who can speak but have difficulty hearing over the telephone to both read captions and use their residual hearing to understand a phone conversation. IP CTS users can complete everyday tasks like scheduling appointments without depending on others to make telephone calls for them. They can call to keep up with friends and family and avoid social isolation. And they can conduct business calls and remain in the workforce.

But this critical service is at risk. Use of IP CTS—which is paid for entirely through the FCC’s Telecommunications Relay Services (TRS) Fund—has grown exponentially in recent years. In fact, annual IP CTS minutes of use have gone up more than 12-fold from 2011 to 2017, and IP CTS now represents almost 80% of the total minutes compensated by the TRS Fund. At the same time, the Fund’s contribution base has been shrinking—by about one-third over the past decade.

Several years ago, I invoked Stein’s Law to describe this situation. Stein’s law holds that if something cannot go on forever, it will stop. Herbert Stein, the law’s progenitor, suggested that an unsustainable trend would end of its own accord. But when it comes to federally sponsored programs, an agency may be compelled by circumstance to make the trend stop. This is such a case. We must act to ensure the sustainability of IP CTS for the millions of Americans with hearing loss who depend on it.

That’s exactly what we are doing here, at long last.

For example, we set interim IP CTS compensation rates that will bring those rates closer to average provider costs. This move will make IP CTS more cost-effective and save the TRS Fund nearly \$400 million over the next two years. We also adopt rules to limit unnecessary IP CTS use. To preserve service for those who need it, we must reduce use by those who do not. So we adopt a general prohibition on providing IP CTS to ineligible users. We establish rules to help avoid the costly generation of captions when the user only needs to turn up the volume on his or her IP CTS device to communicate effectively. And we require IP CTS providers to include notifications in their informational materials to help prevent casual or inadvertent use of the service.

To ensure that the service keeps up with the times, we also take an important step toward modernizing IP CTS in light of technological advances. Specifically, we allow service providers to use fully automated speech recognition (ASR) to generate captions. At the same time, we make clear that providers using ASR must meet the Commission’s minimum TRS standards.

Looking to the future, we seek comment on measures to improve the compensation, funding, and structure of the IP CTS program, including by expanding the TRS Fund contribution base, as well as ways to address IP CTS marketing and other provider practices that may encourage use of the service by people who don’t need it. We also ask for public input on how to ensure service quality for IP CTS users, including through IP CTS performance goals and metrics.

And stepping back from these details, we should always remember the bottom line on all these reforms and proposals: we are aiming for an IP CTS framework that stretches scarce federal dollars as far as possible to meet the needs of Americans with hearing loss.

This item would not have been possible without the work of our dedicated and talented FCC staff. Thank you to Bob Aldrich, Sue Bahr, Eliot Greenwald, Michael Scott, Karen Strauss, and Patrick Webre

of the Consumer & Governmental Affairs Bureau; Terry Cavanaugh, Valerie Hill, Rick Mallen, Linda Oliver, and Bill Richardson of the Office of General Counsel; Sharon Lee and Traci Randolph of the Enforcement Bureau; Andrew Multz and David Schmidt of the Office of Managing Director; and Chuck Needy of the Office of Strategic Planning & Policy Analysis.