

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51;
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123

I support this item, which will hopefully promote the intended goal of attracting and retaining qualified communications assistants to handle VRS calls. Since many providers are already taking advantage of the pilot program, I trust that our action today will provide greater certainty to participating companies and those with hearing or speech disabilities, and it may be fully justifiable on the merits. I must, however, admit that I was somewhat taken aback by the item's throwaway attempt at a cost-benefit analysis. Let me be clear: no blame should be assigned to the Chairman, who has done more to fix our broken process than anyone else. At the same time, no one has been more vocal on the need for robust cost-benefit analysis than me, and even though we are still institutionalizing better practices, it must be said that the effort in this item is beyond embarrassing.

According to the draft's reasoning, allowing at-home call handling is cost-effective because VRS providers will only provide it if it's cost-effective to them. That reasoning is both very circular and not necessarily true: I can come up with a handful of reasons why a company would do something that is not cost-effective. Moreover, the analysis ignores the fact that it's ratepayers, and not merely VRS providers, that bear the cost of paying for VRS minutes. Since the per-minute rate is based on formulas designed to compensate providers for the "reasonable costs" of providing VRS, the new rule could very well lead to an increase in rates, and, in turn, greater burdens on ratepayers, once the current schedule sunsets in 2021. That's not to say that we shouldn't allow call-handling if the practice leads to higher average costs—after all, other benefits may offset those costs—but the effect on ratepayers should at least figure into our analysis. In the end, however, a sound analysis should be provided to the Commissioners to inform the decision of whether or not to set it aside for another policy objective, authorized under the law.

Given the active involvement of the Office of Economics and Analytics in most Commission-level items, a more serious and thorough inquiry would have been expected, and I hope that today's effort is an outlier with respect to future proceedings.