

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

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; *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51

With voice service experiencing a resurgence in usage during the pandemic, it is no surprise that the Internet Protocol Captioned Telephone Service (IP CTS) program is seeing a similar response. For those paying attention, I've cautioned previously about the need to restore the program's sustainability and efficiency, and our current circumstances further validate the need for a viable and predictable solution, rather than merely episodic attention based on the latest deadline or crisis.

In this item, the Commission continues along the tired and worn path, started in 2018, of ratcheting down IP CTS rates to align them with the actual costs of providing service. While the current methodology is an improvement over its predecessor, let's face reality: rate regulation has failed to control costs or fix the program's underlying problems, and it perpetuates burdensome and complex processes for providers, the Commission, and the Telecommunications Relay Service (TRS) Fund administrator. Further, the Commission has a statutory duty to ensure that telecommunications relay services are available in "the most efficient manner,"¹ and that means spending only what is necessary to guarantee individuals access to functionally equivalent service. It's no secret that I am an ardent proponent of reverse auctions to distribute federal subsidies as a means of approximating market conditions and maximizing efficiency and would have preferred to take that approach for IP CTS. Fortunately, I am in good company, as recent papers by Roslyn Layton² and the Free State Foundation's Randy May³ have made the case for determining IP CTS compensation rates through reverse auctions. Sadly, we decline to pursue that approach today, delaying what should be inevitable.

On a related note, some have accused the FCC of providing an unfair "windfall" to automatic speech recognition (ASR)-only providers, due to the lower costs of providing that service. What would truly be unfair, however—not to mention statutorily prohibited⁴—would be to ignore the principles of technology neutrality and promoting innovation. Providers using ASR must meet our minimum TRS standards, as well as any IP CTS-specific standards that may be adopted pursuant to the Further Notice. Moreover, it would be a mistake to discriminate against ASR, especially when its predominance is a question of "when" and not "if." Technological progress, especially the use of free cutting-edge applications, is the best path toward a more cost-effective program. And, this entire debate highlights yet another benefit of reverse auctions: rewarding innovation and efficiency, rather than protecting legacy technology and stale incumbents.

I certainly hope in-depth work to develop a reverse auction will be pursued over the next two years. Nonetheless, I will support the item.

¹ 47 U.S.C. § 225(b)(1).

² Roslyn Layton, *How Can the FCC Improve Provision of Telecommunications Services for the Deaf and Hearing Impaired*, Federalist Society Review, Vol. 21 (Sept. 28, 2020), <https://fedsoc.org/commentary/publications/how-can-the-fcc-improve-provision-of-telecommunications-services-for-the-deaf-and-hearing-impaired>.

³ Randolph J. May, *Improving the Efficiency of IP Captioned Telephone Service*, Perspectives from FSF Scholars, Vol. 15, No. 49 (Sept. 23, 2020), <https://freestatefoundation.org/wp-content/uploads/2020/09/Improving-the-Efficiency-of-IP-Captioned-Telephone-Service-092320.pdf>.

⁴ 47 U.S.C. § 225(d)(2).