

**STATEMENT OF  
COMMISSIONER MICHAEL O'RIELLY**

***Re: 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; Misuse of Internet Protocol Relay Service, CG Docket No. 12-38.***

Throughout my time at the Commission, I have focused on maximizing the efficiency of our Telecommunications Relay Services (TRS) and minimizing burdens on ratepayers, with the goal of ensuring the long-term viability of our subsidy programs. We have recently made some progress on this front, for example, by granting conditional certification to several providers to offer Internet Protocol Captioned Telephone Service (IP CTS) using only automatic speech recognition (ASR) technology, a development that should promote both innovation and greater efficiency in the IP CTS program. At the same time, we have a long way to go in terms of controlling unsustainable TRS spending, which has ballooned to over \$1.6 billion for the current funding year. Unfortunately, certain market-based improvements that I have advocated, such as distributing subsidies through reverse auctions, rather than inefficient rate regulation and artificial competition, haven't quite yet won the day, even though they would make a real difference in addressing the fund's needs and controlling costs to make it sustainable.

Today's item, which proposes to broaden the contributions base for our video relay service (VRS) and Internet Protocol Relay Service (IP Relay) to include intrastate voice revenues, recognizes that TRS contributions are unduly burdensome for certain classes of providers (and in turn their customers), and seeks to make cost recovery more equitable. I will vote to approve the item, but I believe that failing to address the underlying spending problem is incredibly myopic and that its elimination of asymmetric burdens will be of limited value as a result.

Finally, under no circumstances should states be allowed to engage in "double-dipping" with respect to intrastate contributions, or to assess fees on the same intrastate revenues as the federal government to support a state VRS or IP Relay program. And, that's especially true when there is no "intrastate" component of these IP-based services of which to speak. While the item notes that no state TRS program currently includes VRS or IP Relay, it seeks comment on how to modify the proposed cost recovery method in the event that a state were to request certification to include VRS or IP Relay in a state TRS program, and asks whether referral to a Federal-State Joint Board would be appropriate to determine the jurisdictional separation of TRS costs. The answer to the latter question is a resounding "no." I have repeatedly stated that jurisdictional separations rules are increasingly obsolete in our IP-driven industry and it would be completely inappropriate to waste time and resources reviving this regulatory anachronism and imposing additional burdens on legacy providers through this proceeding.