June 12, 2015

VIA ECFS

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123; CG Docket No. 10-51

Dear Ms. Dortch:

On June 11, 2015, Jarrod Musano, Chief Executive Officer, and I of Convo Communications, LLC (“Convo”) met with Commission staff to provide information about its new offerings for the video relay services (“VRS”) market, its vigorous growth and the need for temporary rate stabilization to allow its maturation to scale to operate at a lower rate.

We reviewed with Maria Kirby, Legal Advisor, Chairman Wheeler, and Nicholas Degani, Legal Advisor and Christine Bealer, Intern, Commissioner Pai, Convo’s unique technology and service innovations which are significant steps in achieving functional equivalency in VRS. Convo provided them a confidential handout (attached) which summarized its robust growth of volume, its three-year business roadmap and its lean fiscal operations. Convo explained that it has had to begin building its business without the significantly higher past compensation rates that mature VRS providers have availed themselves to grow to scale. RLA in its 2015 TRS Rate Filing reported to the Commission that “the historic and projected costs for the smallest of the providers’ remains above the rates, potentially jeopardizing their continuation of service.” Convo said that it would reach scale under the current rate in less than a year, but would fail to do so if the rate cut went into effect on July 1, 2015.

In our follow up meeting with Gregory Hlibok, Bob Aldrich, Eliot Greenwald, Caitlin Vogus, and Darryl Cooper of the Consumer and Governmental Affairs Bureau and David Schmidt and Andrew Mulitz of the Office of Managing Director, and Roger Holberg we discussed that Convo was certified as a VRS provider before the Commission’s 2013 VRS Reform Order and therefore had no way to foresee or plan for the Order’s “glide path” of declining rates in anticipation of new programs which were intended to permit providers to reduce certain service costs through the engagement with third party entities. These new programs have not yet moved forward or are at its earliest stages, thus Convo must absorb all of the rate cuts without the opportunities the Commission set out in the VRS Reform Order to alleviate the rate cuts. The fiscal information Convo provided the Commission showed that while its operational costs are well within the industry parameters, it is operating with debt, without margin and plunging back into negative revenue with each rate decrease.
Convo met with Jonathan Chambers, Chief, and Alok Doshi, Office of Strategic Planning & Analysis to discuss the video access platform. Convo indicated its support of temporarily stabilizing the rate tied to the full implementation of VRS Reform Order program(s) or for a definite and limited time period.

Convo discussed with all Commission staff that the rate cut scheduled for July 1, 2015 places Convo in a severe fiscal shortfall, which requires cutting services or raising additional capital to stay upright until it reaches an efficient scale of operations. Convo stated that it is already operating leanly and with great cost-consciousnesses, thus it would elect to exit the business rather than compromising on the essential operational costs that consumers and interpreters require to experience an adequate level of service. Convo added that it has to date declined to bring in venture capitalists who could float Convo until a period of sustainability because doing so would risk Convo’s focus of a consumer and interpreter-centric relay services. Convo urged the Commission to take immediate measures to stay the imminent rate decrease for at least the three newest and smallest providers to ensure their fiscal viability while the joint VRS providers’ petition to improve functional equivalence and rate stabilization is considered.

Sincerely,

/s/

Jeff Rosen
General Counsel

cc: Maria Kirby
Nicholas Degani
Bob Aldrich
Christine Bealer
Darryl Cooper
Eliot Greenwald
Gregory Hlibok
Roger Holberg
Andrew Mulitz
David Schmidt
Caitlin Vogus

Attachment
REDACTED ATTACHMENTS

Slide 1 – Convo Mission Statement
Slide 2 – Convo Organizational Chart
Slide 3 – Convo Specialization Chart
Slide 4 – Convo Growth Chart
Slide 5 – Convo Roadmap
Slide 6 - Convo Fiscal & Operational Information