



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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SORENSEN TO PAY \$15.75 MILLION TO SETTLE FCC INVESTIGATION INTO IMPROPER BILLING OF TRS FUND

Latest in a Series of TRS Enforcement Actions Over The Past Three Years Totaling More Than \$55 Million in Reimbursements and Voluntary Payments to U.S. Treasury

Washington, D.C. – For the second time this month, the FCC has reached a multi-million dollar settlement to resolve a probe into possible improper use of a federal fund that supports telecommunications services for people with disabilities. Sorenson Communications, Inc., an Internet-based Telecommunications Relay Service (TRS) provider, has agreed to pay \$15.75 million to settle an investigation by the FCC’s Enforcement Bureau into whether the company billed the TRS Fund for calls made by unregistered, unverified, or ineligible individuals, and for calls that were made by or on behalf of the provider itself. FCC registration and verification requirements are designed to protect the integrity and of the TRS Fund, which compensates TRS providers for reasonable costs of providing interstate TRS calls involving persons with disabilities, and is funded from a fee paid for by subscribers of interstate telecommunications services.

The settlement follows closely on another announced on May 7 in which AT&T Inc. agreed to pay \$18.25 million to settle an investigation into whether it improperly billed the TRS fund. The FCC reached its largest-ever settlement of a TRS investigation in 2010, resulting in the payment of nearly \$20 million by Purple Communications Inc. to settle a probe into whether the company overbilled the fund.

"The TRS Fund exists to ensure that modern communications technologies are available to millions of Americans with disabilities," Acting FCC Chairwoman Mignon Clyburn said. "This critical service helps to connect them with job opportunities, family, friends and -- if needed -- emergency personnel. With today's settlement, the FCC has recouped more than \$55 million in reimbursements to the TRS Fund and voluntary contributions to the U.S Treasury."

Enforcement Bureau Chief Michele Ellison added, "The Bureau must and will continue to ensure that providers only receive their fair share of TRS funds. Consumers with disabilities deserve no less."

As part of the settlement, Sorenson must implement a robust compliance plan, requiring detailed operating procedures, comprehensive training of its employees, and immediate reporting of possible violations. Of the \$15.75 million, just over \$4.2 million will be reimbursed to the TRS Fund, and the remaining approximately \$11.5 million will be paid to the U.S. Treasury as a voluntary contribution.

TRS enables an individual who is deaf, hard of hearing, deaf-blind, or who has a speech disability, to engage in telephone communications with one or more individuals. With traditional TRS, a user "calls" a provider through a text-based device (for example, a text telephone or TTY) and is connected to a

communications assistant (CA) who, in turn, makes a voice telephone call to the person the TRS user wishes to call. The CA then speaks to the called party what the relay user has typed, and types back to the calling party what the called party says. The service provided by Sorenson is Internet-based, in which calls between the relay provider and the person with a hearing or speech disability are made via the Internet and an IP-enabled device, rather than the traditional telephone network.

Congress created the TRS program in Title IV of the Americans with Disabilities Act of 1990, codified at Section 225 of the Communications Act of 1934, as amended. Under that act, the Commission must ensure that the provision of TRS is functionally equivalent to voice telephone service. The Commission's TRS regulations set forth mandatory minimum standards that TRS providers must follow to meet this functional equivalency mandate.

The Order and Consent Decree are available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-1068A1.pdf.

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