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October 12, 2007

HAND DELIVERY

Honorable Eddie Roberson, Chairman c/o Sharla Dillon, Docket & Records Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: JOINT PETITION OF VERIZON COMMUNICATIONS, INC., MCI COMMUNICATIONS SERVICES, INC. D/B/A VERIZON BUSINESS SERVICES, VERIZON SERVICES CORPORATION AND GOAMERICA RELAY SERVICES CORP. FOR EXPEDITED APPROVAL OF THE ASSIGNMENT OF THE CONTRACT TO PROVIDE RELAY SERVICES FROM VERIZON SERVICES CORPORATION TO GRSC, FOR GRSC TO UTILIZE STELLAR NORDIA SERVICES, LLC AS A SUBCONTRACTOR IN THE PERFORMANCE OF THE CONTRACT, AND FOR THE TRANSFER OF RELATED ASSETS FROM VERIZON BUSINESS SERVICES TO GRSC, TRA Docket No. 07-00204

APPLICATION OF GOAMERICA RELAY SERVICE CORP. FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES, TRA Docket No. 07-00205

Dear Chairman Roberson:

In accordance with the TRA's October 4, 2007, data request in the above-captioned matters, enclosed for filing are one (1) original and thirteen (13) copies of Verizon Communications, Inc.'s and GoAmerica Relay Services Corp.'s responses. An additional copy of the foregoing is attached to be "file-stamped" for our records. If you have any questions or require additional information, please let me know.

Respectfully submitted,

Melvin J. Maløne

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Via Hand Delivery Doc. No. 256691

Honorable Eddie Roberson, Chairman c/o Sharla Dillon Documents and Records Office Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re: Responses to Data Request No. 2 in:

<u>Docket No. 07-00204</u> - Joint Petition of Verizon, MCI (together "Verizon") and GoAmerica Relay Services Corp. ("GRSC") for Expedited Approval of the Assignment of the Contract to Provide Relay Services from Verizon to GRSC, for GRSC to Utilize Stellar Nordia Services, LLC as a Subcontractor and for the Transfer of Related Assets from Verizon to GRSC (the "Joint Petition"); and

<u>Docket No. 07-00205</u> - Application of GRSC for a Certificate to Provide Competing Local Telecommunications Services (the "CLEC Application")

Dear Chairman Roberson:

Verizon Communications Inc., on behalf of its subsidiaries MCI Communications Services, Inc. d/b/a Verizon Business Services and Verizon Services Corporation (collectively "Verizon"), and GoAmerica Relay Services Corp. ("GRSC," and together with GoAmerica, Inc., "GoAmerica"), by undersigned counsel, hereby submit the following information in response to Data Request No. 2 in the above-referenced dockets, issued October 4, 2007.

1. GRSC's data response indicates that GRSC will rely on both Verizon's and Stellar Nordia's operating platforms and expertise to meet the technical sufficiency requirement of the CCN and fulfill the obligations of the TRS contract. Specifically, which TRS services will be provided using Verizon's platforms? Which Verizon platform will be used to provide the respective service? Which TRS services will be provided using Stellar Nordia's platforms? Which Stellar Nordia platform will be used to provide the respective service?

Response:

Verizon Platform. In order to ensure a seamless and transparent transition between Verizon and GRSC, for approximately nine months after GRSC begins to provide relay services through the Memphis Call Center (provided the Authority approves the pending applications), Verizon has agreed to provide temporary network and support services to GRSC. Verizon's primary method of support will be to permit GoAmerica to

continue to use — at negotiated prices — Verizon's integrated services network for data, voice and ancillary services (the "ISN"). As part of this arrangement Verizon shall also ensure service level quality of the ISN and shall arrange for the preparation of monthly reports for GRSC, trouble management and escalation, internet access and email access. Verizon will also assist GRSC in developing software that will ease the transition between relay service providers, with respect to, for example, the migration of relay service telephone numbers from Verizon's system to GRSC's system. Nevertheless, during the entire transition period, GRSC shall be wholly responsible for the security, operation and staffing of the Memphis Call Center and all aspects of the relay services being provided to Tennessee consumers. After the conclusion of the transition period, Verizon will have no further role in GRSC's performance of the TRS Contract

Stellar Nordia Platform. Fundamentally, the "platform" that Stellar Nordia will rely upon as a subcontractor to GRSC in GRSC's provision of relay services is the Memphis Call Center. Under the Managed Services Agreement ("MSA") between GRSC and Stellar Nordia, Stellar Nordia will, on behalf of GRSC, assume the lease on the Memphis Call Center, and will operate it under GRSC's management oversight. Incidentally, the MSA also contractually requires that Stellar Nordia will offer employment to every Verizon employee in the Memphis Call Center (except those manager-level individuals that GoAmerica has, in its discretion, determined to employ directly), and GoAmerica reconfirms that commitment here.

The discussion of Stellar Nordia's operating technologies (or "platform") that was included in GRSC's answer to Question 6 of Data Request No. 1 was intended to illustrate Stellar Nordia's overall technical and operational qualifications as a call center operator subcontractor to GRSC generally.

Relay Call Illustrated. It may be useful at this point to explain the course of a typical relay call. Assume for purposes of this illustration that a deaf Memphis consumer (the "Caller") desires to call the local hardware store ("Hardware Store") using Tennessee relay service. The Caller initiates a relay call by dialing the local 711 access code (which is provided by AT&T-Tennessee) using a text-telephone (or "TTY"). The Caller's TTY call is then received at the Memphis Call Center by a specially trained Communications Assistant ("CA"), who reads the Hardware Store's telephone number and an introductory message that the Caller has typed into his or her TTY, and then initiates a voice telephone call to the Hardware Store (speaking the Caller's message aloud to the Hardware Store representative). When the Hardware Store representative responds, the process is reversed – the CA hears the Hardware Store's words and conveys them back to the Caller in text form over the TTY.

Both legs of this call – the Caller's TTY call to the Memphis Call Center and the CA's outbound voice telephone call to the Hardware Store – would be transmitted over AT&T-Tennessee's local telephone lines. In particular, the call from the Caller to the Memphis Call Center would go over AT&T-Tennessee's local telephone service to the 711 number. Then, the CA's outbound call from the Memphis Call Center would go over AT&T-Tennessee's outbound local telephone lines, provided by AT&T-Tennessee to GRSC or Stellar Nordia on a retail basis. A long distance relay call (for example, from Chattanooga to Memphis) would work the same way, except that when the call is received

by the 711 service, the call would go over third party long distance lines from the 711 service to the Memphis Call Center.

As this example demonstrates, GRSC's provision of Tennessee relay service will involve the use of telecommunications services provided by third parties such as AT&T-Tennessee. Stellar Nordia's primary role as GRSC's subcontractor will be to employ and manage the CAs and to operate and maintain the Memphis Call Center. Stellar Nordia will supplement those duties by providing additional technical and administrative support.

2. Provide legal justification for GRSC's position that Stellar Nordia does not need a CCN from the Authority.

Response: As the Authority has noted, GRSC's position is that Stellar Nordia does not need a CCN because Stellar Nordia will not be providing telecommunications services within Tennessee. If the Joint Petition and CLEC Application are approved by the Authority, GRSC will be the Prime Contractor and the sole telecommunications service provider with respect to the TRS Contract (and the relay services provided thereunder) and Stellar Nordia will simply be a subcontractor to GRSC that provides certain operational and technical support services under the day-to-day supervision of GRSC.

A competing telecommunications provider, as referenced in T.C.A. § 65-4-201(c), is defined in T.C.A. § 65-4-101(1) as any entity "that offers or provides any two-way communications service, telephone service, telegraph service, paging service, or communications service similar to such services...." Notwithstanding any suggestion to the contrary, Stellar Nordia will not provide any of the foregoing under the MSA. The Authority should also be aware that GRSC is in the process of assuming intrastate relay services contracts similar to the TRS Contract in California and the District of Columbia, and neither of those jurisdictions is requiring Stellar Nordia to obtain certification in order to provide any of the services called for under the MSA.

From both a consumer and a regulatory perspective, Stellar Nordia will be an "invisible" subcontractor, providing technology and call center services to the identified provider of relay services, namely the Prime Contractor (which will be GRSC). With respect to the TRS Contract and the relay services provided thereunder, only GRSC will be holding itself out to the public as a telecommunications service provider, both through the actual provision of such services and through GRSC's community outreach, promotional, and educational efforts (in compliance with Section A.13 of the TRS Contract).

Presumably, the term "telecommunications service" parallels the definition of "basic local exchange telephone services" in T.C.A. § 65-5-108(a)(1), which includes services "comprised of an access line, dial tone, touch-tone and usage provided to the premises for the provision of two-way switched voice or data transmission over voice grade facilities of residential customers or business customers within a local calling area, Lifeline, Link-Up Tennessee, 911 Emergency Services and educational discounts existing on June 6, 1995, or other services required by state or federal statute." Stellar Nordia will provide none of these services under the MSA.

GoAmerica emphasizes that if it is permitted to assume the TRS Contract from Verizon, it shall assume all relay obligations and liabilities, for its actions and those taken on its behalf under the MSA.

3. Discuss the status of GRSC's efforts to procure the \$200,000 performance bond as required by Section E.3 of the TRS Contract. Also, provide an update on the status of GRSC's acquisition of a \$20,000 corporate surety bond or irrevocable letter of credit pursuant to T.C.A. § 65-4-125.

Response: GRSC recognizes that the procurement of a performance bond and a corporate surety bond is an obligation of the Tennessee relay service provider under the TRS Contract and Tennessee law, and if the Authority approves the Joint Petition and the CLEC Application, GRSC is committed to obtaining the necessary bonds prior to beginning to provide intrastate relay services in Tennessee. To that end, GoAmerica has contacted its corporate insurance broker for purposes of procuring the required performance bond and corporate surety bond. Due to the unique aspects of providing telecommunications relay services, GoAmerica has had to convey industry-specific information to the corporate insurance broker in order to assist the corporate insurance broker in providing such sureties. GoAmerica does not anticipate difficulty in securing the required bonds.

GoAmerica will continue to update the Authority regarding its progress with respect to the procurement of the necessary bonds.

4. The Joint Petition filed in Docket No. 07-00204 requests assignment of the TRS Contract pursuant to Section D.5, which concludes with the following statement: "Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed." Does Verizon intend to retain the role of TRS Contract Prime Contractor? If not, would modification of the contract under Section D.2 be a more appropriate provision?

Response: As the Authority correctly notes, GRSC and Verizon have requested assignment of the TRS Contract from Verizon to GRSC pursuant to Section D.5 thereof. The parties acknowledge that Section D.5 is entitled "Subcontracting" and that much of the section deals with that issue; however, the parties made their request under that section because it states, in relevant part, that "[t]he Contractor shall not <u>assign</u> this Contract...without obtaining the prior written approval of the State" (emphasis added). Section D.2 ("Modification and Amendment"), which the Authority believes is implicated in these applications, makes no mention of assignment, and therefore the parties presumed that the better course was to petition the Authority under Section D.5. However, if the Authority would prefer to review the parties' request under both Sections D.2 and D.5, the parties have no objection.

To be clear, regardless of the section of the TRS Contract pursuant to which the parties' request is considered by the Authority, upon approval of the Joint Petition, Verizon will not continue to be the TRS Contract Prime Contractor. It is the intent of the parties that the TRS Contract shall be assigned to GRSC, and that GRSC shall be the Prime Contractor thereunder.

5. Section D.5 of the TRS Contract requires State approval of subcontractors to perform services required by the TRS Contract. Provide a true and accurate copy of the subcontract between GRSC and Stellar Nordia to subcontract services under the TRS Contract. Also, summarize GRSC's discussions with other officials within Tennessee State government that must approve subcontracts and modifications related to the TRS Contract.

Response: You have requested a copy of the subcontract between GRSC and Stellar Nordia governing the technical, operational and administrative services that Stellar Nordia will provide to GRSC if the Authority approves the Joint Petition and the CLEC Application That subcontract is the MSA, described in the response to Question 1 of this Data Request No. 2, above. For the Authority's convenience, attached hereto as Exhibit A is a true and accurate copy of the MSA, as filed with the Securities and Exchange Commission on August 7, 2007.

MSA Governs Matters Not Related to Tennessee Relay. When reviewing the MSA, it is important to note that the MSA is a very broad agreement that governs the entire subcontracting relationship between GRSC and Stellar Nordia, including many services that are unrelated to GRSC's provision of intrastate Tennessee relay service. For instance, GRSC will provide IP Relay and Video Relay Services ("VRS") throughout the United States,² and the MSA controls the services that Stellar Nordia will provide in support of GRSC's IP Relay and VRS efforts. Also, as indicated in the response to Question 2 of this Data Request No. 2, GRSC is currently assuming intrastate relay service contracts in California and the District of Columbia, and the MSA applies to the services that Stellar Nordia will provide as a subcontractor to GRSC in those jurisdictions as well.

With regard to the request that GRSC summarize any discussions it has had with other officials within the Tennessee State government that must approve subcontracts and modifications related to the TRS Contract, there have been none.

6. Section 9.5.2 of the "Managed Services Agreement" referenced in the Data Response to question 8, reads "GoAmerica also may direct Stellar to close one or more of the Subject State TRS call centers (i.e. Memphis, TN and Riverbank, CA) that supply Stellar Services to the Subject TRS contracts and consolidate the Stellar Services at such other locations as Stellar, at its sole discretion may choose, provided, however, that GoAmerica (a) shall provide Stellar with ninety (90) days prior written notice; and (b) shall simultaneously provide Stellar with a legal opinion, reasonably satisfactory to Stellar's counsel, opining that the request closure of the State TRS call center is lawful together with appropriate supporting documentation; and (c) shall continue to pay Stellar the Transition Fee." (A) Please indicate how the Petitioners will comply with Section A.11 of the TRS Contract if the Memphis call center is closed? (B) Please provide all

As the Authority is aware, IP Relay and VRS services have been deemed jurisdictionally interstate services which are regulated by the Federal Communications Commission ("FCC"). GoAmerica received its certification to provide IP relay and VRS services from the FCC in June 2006.

documents and information possessed by GoAmerica, GRSC or Stellar Nordia pertaining to closure of the Memphis Call Center under Section 9.5.2 of the Managed Services Agreement. (C) Provide all legal arguments that may justify closure of the Memphis call center under the TRS Contract. If no such legal argument exists, please indicate so.

Response: As noted in the response to Question 4 in Data Request No. 1, GRSC intends to continue to operate the Memphis Call Center at its current location. GRSC stresses that it has no plans to close the Memphis Call Center for the remaining duration of the TRS Contract and indeed GRSC's contract with Verizon stipulates that all employees of the Memphis Call Center be offered employment by GRSC or its subcontractor, Stellar Nordia. As noted in Section 5.2.4.6 of the RFP responses attached to the Affidavit of Mark L. Stern in Exhibit B to the Joint Petition, GRSC intends to continue to staff the Memphis Call Center at a level commensurate with current call volumes for Tennessee intrastate relay service traffic (which will be monitored regularly, with staffing to be adjusted accordingly).

The provision of the MSA referenced in this Question 6 of Data Request No. 2 was designed to give GRSC flexibility if there is ever a change in circumstances with respect to the TRS Contract, such as a regulatory mandate from the Authority or another government entity, requiring such a closure; it is <u>not</u> intended to imply that GRSC has any plans for such an action.

In response to the specific questions in subsections (A) through (C) in this Question 6 of Data Request No. 2, GRSC states the following:

- (A) Section A.11 of the TRS Contract requires that there be a Tennessee call center. In the Joint Petition and the Affidavit of Mark L. Stern attached thereto, GRSC has agreed to abide by and to be bound by all of the obligations and requirements of the TRS Contract, which includes Section A.11. GRSC reiterates that it has no plans to close the Memphis Call Center.
- (B) GoAmerica, GRSC, and Stellar Nordia do not have any documentation related to the closure of the Memphis Call Center because no such closure has been contemplated, planned or anticipated, and no such documentation exists.
 - (C) See response to subsection (A), above.

* * * * * *

[Remainder of page intentionally left blank – signatures on following page]

If the Authority has any questions about these responses to Data Request No. 2, or if it requires further information to aid in its analysis of the above-referenced matters, please do not hesitate to contact the undersigned. Thank you very much for your prompt consideration of these matters.

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Very truly yours,

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Exhibit A

Managed Services Agreement
between
GRSC and Stellar Nordia

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