

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

July 8, 2010

IN RE:

**SECOND AMENDMENT TO CONTRACT FOR
PROVISION OF TENNESSEE RELAY SERVICES**

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**DOCKET NO.
10-00087**

**ORDER APPROVING SECOND AMENDMENT TO TRS CONTRACT AND AGREEMENT
FOR SERVICES BETWEEN STELLAR RELAY, LLC AND HAMILTON RELAY, INC.**

This matter came before Director Mary W. Freeman, Director Eddie Roberson, and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on May 24, 2010 for consideration of: (1) the *Second Amendment to Contract Between the State of Tennessee, Tennessee Regulatory Authority and Verizon Services Corporation* (“*Second Amendment to the State Contract*” or “*TRS Contract*”) filed by GoAmerica Relay Services Corp. (“GRSC” or “GoAmerica”), Stellar Relay, LLC f/k/a/ Stellar Nordia Services, LLC (“Stellar”) and Hamilton Relay, Inc. (“Hamilton”) (collectively “the Parties”) on May 19, 2010 and (2) the *Agreement for Services* (“*Agreement*”) filed on April 29, 2010 by Hamilton and Stellar and amended on May 18, 2010 (“*Amended Agreement*”).

BACKGROUND

MCI WorldCom Communications, Inc. (“MCI”) operated the Tennessee Relay Service (“TRS”) under the state contract whose term ran from September 2001 through September 2006. On June 9, 2006, MCI won a competitive bidding process for another five year contract term as the TRS provider. Verizon subsequently purchased MCI and with it acquired MCI’s TRS contract. Verizon subsequently decided to exit the TRS business and assigned the TRS contract

to GoAmerica Relay Services Corp. (“GRSC”), which subcontracted with Stellar Nordia Services, LLC (“Stellar”)¹ to provide TRS services.² Stellar currently operates the Tennessee Relay Center in Memphis during weekday business hours and provides out-of-hours coverage from its California relay center. However, Stellar plans to close its California center on June 1, 2010 and proposes to subcontract with Hamilton Relay, Inc. (“Hamilton”) for out-of-hours coverage and other services. Hamilton has applied for a Certificate of Convenience and Necessity (“CCN”) as required.³

Under the *Amended Agreement*, Hamilton will provide Telecommunications Relay Services (“TRS”), intrastate and interstate English, Spanish Relay Services and intrastate and interstate Speech to Speech Relay Services for individuals with speech and hearing disabilities in Tennessee in accordance with the requirements set forth by the Federal Communications Commission (“FCC”). The *Amended Agreement* specifies that Hamilton will provide (1) TRS Customer Service and English speaking services between the hours of 8:00 p.m. and 8:00 a.m. Central Time, seven days a week and (2) Spanish Relay Services and Speech to Speech Relay Services 24 hours a day, seven days a week to Stellar customers requiring such service. The *Amended Agreement* further specifies that Hamilton will serve as the emergency back-up provider for Stellar’s TRS services and that Hamilton will answer Customer Service calls as “Hamilton Relay” but will answer TRS calls as “Tennessee Relay.” The *Second Amendment to the State Contract* seeks to add Hamilton as a subcontractor to Stellar for the provision of certain

¹ Stellar Nordia Services, LLC is now known as Stellar Relay, LLC.

² See *In 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*, Docket No. 07-00204, *Order Approving Joint Petition* (December 18, 2007).

³ See *In re: Petition of Hamilton Relay, Inc. for a CCN to Provide Competing Local Telecommunications Services (“Petition”)*, Docket No. 10-00074 (April 21, 2010). The *Petition* was approved by the Authority during the May 24, 2010 Authority Conference prior to considering the instant docket.

services. The *State Contract* states in part, "...GoAmerica shall remain the 'prime contractor' and shall remain responsible for all work performed under the Contract."

THE PARTIES

GRSC is a wholly-owned subsidiary of Purple Communications, Inc., organized and existing under the laws of the State of Delaware and headquartered in Novato, California. It provides a wide range of wireless and interstate telecommunications relay services to people who are deaf, hard of hearing or speech-disabled. Stellar is a provider of customer relationship management and TRS services. A Nevada limited liability company owned by the JFO Group, Stellar currently has 2,200 agents and managers in multiple contact centers that handle close to 100 million contacts per year. Stellar has been operating the Tennessee Relay Center for GRSC since 2008. Hamilton is a Nebraska company owned by Nodelco, Incorporated, a diversified Aurora, Nebraska, management company, which is owned and operated by Phillip C. Nelson and other members of the Nelson family. The company was formed under the laws of the State of Nebraska on December 15, 2000 and was certificated by the Tennessee Secretary of State to conduct business in the State of Tennessee on April 9, 2010. Hamilton provides relay services to fifteen states, the Island of Saipan, the Virgin Islands and the District of Columbia.

FINDINGS AND CONCLUSIONS

The *TRS Contract* is a state-wide contract, and any changes or modifications to the contract not only require approval by the Authority, but also must be approved by the Commissioner of Finance and Administration, as well as the Comptroller of the Treasury. Modification or amendment of the *TRS Contract* is governed by Sections D.2 and D.5 thereof, which provide as follows:

D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (Sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

Sections D.6. and D.7. of the *TRS Contract* read as follows:

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

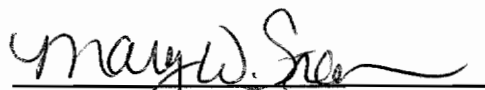
D.7. Nondiscrimination. The Contractor hereby agrees, warrants and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

The panel found that it is in the public interest to approve Hamilton to be a subcontractor for TRS because it will benefit Tennessee consumers in the deaf, hard-of-hearing and speech-disabled communities by ensuring continuity of TRS services following the closure of Stellar's California call center on June 1, 2010. Further, the panel found that the *Amended Agreement* between Stellar and Hamilton contains the required language from paragraphs D.6. and D.7. of the *TRS Contract*. Based on these findings, the panel voted unanimously to approve both the *Second Amendment to the State Contract* and the *Amended Agreement*.

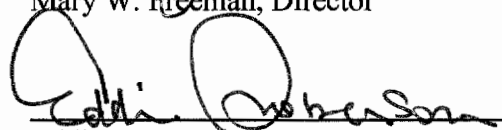
IT IS THEREFORE ORDERED THAT:

1. The *Second Amendment to Contract Between the State of Tennessee, Tennessee Regulatory Authority and Verizon Services Corporation* filed by GoAmerica Relay Services Corp., Stellar Relay, LLC f/k/a/ Stellar Nordia Services, LLC and Hamilton Relay, Inc. is approved.

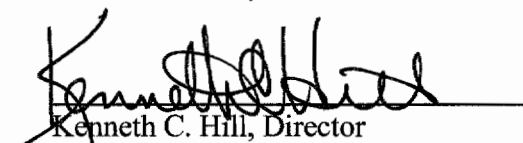
2. The *Agreement for Services* filed on April 29, 2010 by Hamilton Relay, Inc. and Stellar Relay, LLC f/k/a/ Stellar Nordia Services, LLC and amended on May 18, 2010 is approved.



Mary W. Freeman, Director



Eddie Roberson, Director



Kenneth C. Hill, Director