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EX PARTE MEMORANDUM

August 18, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
445 – 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: Universal Service Contribution Methodology,
WC Docket No. 06-122

On August 18, 2010, Dave Wenhold and the undersigned and Dave Wenhold, representing the Association of TeleServices International, Inc. (ATSI), met with various officials of the Wireline Competition Bureau, Telephone Access Policy Division, concerning the contribution methodology for funding the Universal Service Fund (USF). The Commission officials attending the meeting included Vickie Robinson, Nicholas Degani and Chin Yoo (in person) and Carol Pomponio and Claudia Fox (via telephone).

ATSI outlined its position on reform of contribution methodology and broadening the contribution base as summarized in the attached document, which was distributed to the staff members attending the meeting in person. At the request of the staff, ATSI also discussed the possibility of employing a modified percentage of revenues assessment mechanism for jurisdictionally mixed use facilities.

Respectfully submitted,

s/Kenneth E. Hardman

Enclosure

cc: Vickie Robinson
Nicholas Degani
Chin Yoo
Carol Pomponio
Claudia Fox

ATSI Summary of Position on Reform of USF Contribution Methodology
WC Docket No. 06-122

ATSI does not advocate a modification of the current methodology of assessing contributions to USF as a percentage of interstate service provider revenues. ATSI continues to believe the current methodology is the most reasonable way of balancing the Commission's various public interest concerns in establishing USF assessments. Also, the current methodology is fully consistent with incorporating support for broadband in USF. In ATSI's view, therefore, the incorporation of broadband into USF does not warrant modification of the USF contribution methodology insofar as existing telecommunications services and facilities are concerned.

Nonetheless, in the event the Commission deems it necessary in the public interest to modify the USF contribution methodology for existing telecommunications services and facilities, ATSI requests that any substitute or replacement methodology comply with the following principles:

1. Existing end users of telecommunications facilities and services should not experience a significant increase in reimbursement charges for USF assessments for those same facilities and services.
2. USF contribution "reform" should not serve as a pretext for significantly redistributing the burden of paying USF contribution obligations among the different classes of end users of telecommunications services and facilities.
3. If the USF is expanded to support new applications such as broadband services and facilities, users of the newly supported services and facilities also should be required to contribute to USF along with users of existing telecommunications services and facilities.
4. The relative value of different network uses should be reflected in any new contribution methodology.

ATSI respectfully submits that the "Numbers" proposals heretofore advanced by the large carrier and user interests do not pass *any* of the foregoing tests. Therefore, a "Numbers" methodology should be rejected from consideration as a substitute or replacement contribution methodology. While a properly structured "connections" proposal potentially could pass these tests, ATSI believes that the most logical and appropriate modification of the contribution rules, in the event the USF is expanded to support broadband services and facilities, is to simply extend the current percentage-of-interstate-revenues methodology to providers of high-speed Internet access.