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EX PARTE MEMORANDUM

February 23, 2010

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

Re: International Comparison and Consumer Survey Requirements in the
Broadband Data Improvement Act, GN Docket No. 09-47;
A National Broadband Plan for our Future, GN Docket No. 09-51;
Deployment of Advanced Telecommunications Capability
to All Americans in a Reasonable and Timely Fashion, GN Docket No. 09-137;
Universal Service Contribution Methodology, WC Docket No. 06-122

Representatives of the Association of TeleServices International, Inc. (ATSI) met with Angela Kronenberg, Legal Advisor to Commissioner Clyburn, and Christi Shewman, Legal Advisor to Commissioner Baker, on February 22, 2010; and on February 23, 2010 with Christine Kurth, Legal Advisor to Commissioner McDowell and Jennifer Schneider, Legal Advisor to Commissioner Copps, concerning reform of the contribution methodology for funding the Universal Service Fund (USF) as it relates to the National Broadband Plan under development by the Commission. The ATSI representatives included Larry Goldenberg, President; Dennis O'Hara, Immediate Past President; Brian Gilmore, Chairman of the Government Relations Committee; Dave Wenhold, Legislative Counsel; and the undersigned as Special Counsel.

ATSI first summarized information concerning the industry represented by ATSI set forth in its Comments in response to the Request For Comments in response to NBP Notice #19 filed on December 7, 2009 (the "Comments"), and in prior comments and ex parte memoranda in WC Docket No. 06-122. The ATSI representatives then reviewed their concerns, as also stated in their Comments, about the proposals advanced by carrier interests to convert USF contributions to a numbers-based system, and outlined the substantial adverse impact such a contribution methodology, if applied on a uniform, per-number basis, would have on the industry represented by ATSI.

The ATSI representatives noted that ATSI members use a disproportionate amount of telephone numbers because significant blocks of Direct Inward Dial (DID) numbers are employed in their businesses for call identification and routing purposes. The ATSI representatives also noted that the average ATSI member has approximately 2,000 DID numbers assigned to it by Local Exchange Carriers (LECs) generating less than three minutes of network use each per day; and that the current indirect USF contribution by ATSI members translates to less than ten cents per DID

Marlene H. Dortch, Secretary
February 23, 2010
Page Two

number per month. Under a “Numbers” contribution methodology, the USF contribution for the industry represented by ATSI would dramatically increase, and would approach 10% of a member’s entire gross revenue (approximately \$550,000 per year, of which approximately 50-70% is paid for direct employee costs).

ATSI then reviewed four basic principles that the Commission should employ to test the adequacy of any alternative contribution methodology:

1. The new methodology should not result in significant increases for end users.
2. The new methodology should not result in redistributing USF contribution obligations among different classes of end users.
3. If broadband services and facilities are supported by USF, providers of broadband access should contribute to USF.
4. The new methodology should recognize the relative value of different network uses to the end user.

ATSI stated that its preference would be to retain the current method of assessing contributions based on a percentage of revenues, but that its second choice would be a properly structured methodology based upon connections to the network.

Attached are copies of the handouts provided to the Commission officials during the meetings.

Respectfully submitted,

s/Kenneth E. Hardman

Enclosures

cc: Angela Kronenberg, Esq.
Christi Shewman, Esq.
Christine Kurth, Esq.
Jennifer Schneider, Esq.