

USF CONTRIBUTION METHODOLOGY TALKING POINTS

- Universal service should be funded in a manner to best meet the goals of universal service. Contribution methodology should ensure the stability and viability of the USF and be equitable, nondiscriminatory and technology neutral.
- T-Mobile generally concurs in the CTIA position outlined in January 25, 2006 ex parte presentation supporting a telephone number and connections-based contribution methodology with conditions to ensure that the new system is fair for carriers and customers.
 - All switched connections should be assessed based only on actual “working” subscriber telephone numbers, and non-switched connections should be assessed based on capacity units.
 - Capacity-based assessments for non-switched connections should be properly calibrated to discourage arbitrage opportunities. T-Mobile supports the capacity tier scheme proposed in the Commission’s 2002 FNPRM, under which the first tier, up to 725 Kbps, would be assessed at a single “unit” capacity rate.
 - Contributions by residential, single line businesses and mobile wireless numbers should be technology neutral and, like capacity-based assessments for non-switched connections, should be equitably structured to avoid market distortions.
 - For example, assessments on wireless family share plans should recognize that the family is an economic unit sharing one “bucket” of minutes and that each family member will need a mobile phone, with its own number, to replace the single wireline phone number formerly used by the entire family. T-Mobile supports CTIA’s proposed 50 percent discount for all numbers used with a family share plan except the first line.
 - Prepaid wireless numbers also should not be assessed as much as standard wireline numbers. T-Mobile supports CTIA's proposed 50 percent discount.
 - Transition to new system should not take longer than 12 months and should be the same for all contributors. USAC should gather numbers and capacity data for two months before implementing the system.
 - Contributors should continue to have the flexibility to recover contribution costs from their end-users, either through line items or as part of overall service charges.
- This approach to a numbers and capacity-based methodology will ensure that all providers of interstate telecommunications contribute on an equitable basis that does not influence consumer choices.