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October 23, 2008

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FILED/ACCEPTED

OCT 23 2008

Federal Communications Commission  
Office of the Secretary

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12 St. SW  
Washington, DC 20554

Re: *In the Matter of Developing a Unified Inter-carrier  
Compensation Regime, CC Docket 01-92; In the Matter of  
Universal Service Contribution Methodology, WC Docket 06-122;  
In the Matter of Petition for Declaratory Ruling Filed By CTIA,  
WT Docket No. 05-194*

EX PARTE COMMENT

Dear Ms. Dortch:

I am writing on behalf of Corr Wireless Communications, LLC ("Corr"), a regional cellular/PCS carrier in the northern Alabama region, to bring to the Commission's attention what might be a serious flaw in the tentative plan described to the press concerning the reform of Inter-carrier Compensation and the mechanism for Universal Service Fund contributions. As others have pointed out, the plan outlined by Chairman Martin to the press last week has not been detailed to a degree that would permit interested parties to meaningfully comment on how the plan might work in the real world. The dimension that Corr is especially concerned about is a feature of the plan that may not have been considered by the Commission and may thus have disastrous unintended consequences for a relatively small segment of the industry. This feature is the proposal to base residential USF contributions on numbers rather than revenue.

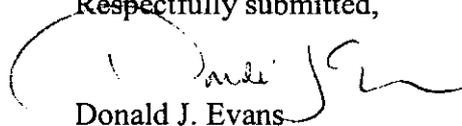
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October 23, 2008  
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USF contributions are currently based on revenues generated by the contributing carriers. The Commission now appears to be considering shifting the basis to residential phone numbers served by the carriers. (Apparently business lines would continue to contribute based on revenues, at least for an interim period.) Corr has no comment on the application of this rule to voice lines provided to residential customers, whether by wireless carriers like itself or wireline or VoIP entities. The problem is that application of this proposal across the board to *all* residential numbers – not just voice lines – would essentially destroy certain industries. Paging companies, for example, allot phone numbers to their customers, both residential and business. The revenues which paging carriers receive from each customer are relatively modest, a fact which the Commission has recognized in setting annual regulatory fees for such carriers at a relatively low level. *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, FCC 08-182, rel. Aug. 8, 2008 at pp. 4-5. This also applies to the services provided by alarm companies who rely on individually assigned phone numbers to monitor fire and security systems at residential homes. These numbers are used very infrequently for emergency and periodic monitoring, and, of course, the charges which are levied by carriers like Corr for such monitoring services are quite small – on the order of \$1 - \$3 per month or less. If the Commission suddenly imposed a per number contribution fee of a dollar or a dollar fifty, the entire economics of this industry would be turned upside-down, even though these applications may not even access the public switched network. The USF surcharge would amount to a virtual doubling of the basic charge being collected by the carrier. By contrast, in a contribution regime based on revenues, the USF contribution was proportionate to the relatively miniscule revenue being derived by the carriers.

This obviously would cause a radical upheaval in an industry that quietly serves the safety and security needs of hundreds of thousands, if not millions, of American families. The assumption underlying the Commission's new number-based proposal was probably that USF contributions should more fairly assign the burdens of contributions among the various industry participants. The Commission cannot have intended to crush a small industry that provides so vital a service by increasing the USF contribution by 100% or more. Corr therefore urges the Commission to expressly exclude numbers used for safety and security monitoring from any number-based contribution plan or to only include numbers connecting to the PSTN (whether circuit-switched or VoIP) in the USF calculation.

Respectfully submitted,



Donald J. Evans

Counsel for Corr Wireless Communications, LLC

DJE:deb

cc: Service List

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