

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:

The Role of the Universal Service Fund and
Intercarrier Compensation in the National
Broadband Plan

GN Docket Nos 09-47, 09-51, 09-137

**Comments – NBP Public Notice #19 –
of j2 Global Communications, Inc.**

j2 Global Communications, Inc. (“j2 Global”), hereby submits its Comments on reform of the methodology for assessing contributions to the universal service fund. As discussed below, j2 Global is particularly concerned about the impact of any numbers-based contribution methodology on free and low-volume users of its fax-to-email and voicemail services. Without appropriate exemptions, a numbers-based approach would cause companies such as j2 Global to cease providing these services, harming consumers as well as suppliers, and *decreasing* the universal service revenue base.

j2 Global provides outsourced, value-added messaging and communications services to individuals and businesses, predominantly under the brand names eFax®, eVoice®, OneBox®, Fax.com™ and Send2Fax®. j2 Global’s customer base consists of both “paid” and “free” users of its services. j2 Global, as part of its business model and as a useful service to its customers, provides limited use free services with the goal of up-selling a portion of that customer base to more robust, paid services.¹ j2 Global’s free service offerings permit customers to receive fax

¹ Customers of the free services may use up to 20 minutes of voicemail time, receive 20 pages of faxes, or combine the two services and use a maximum of 20 units of either service. *See also ex parte* letters from j2 Global, WC Docket No. 06-122 and CC Docket No. 96-45 (filed Oct. 21, 2008, Sept. 30, 2008, Nov. 12, 2007, July 27, 2007).

and/or voice messages as email attachments. While these free services are designed to be introductory, customers can retain their free service for an indefinite period of time as long as they remain within the usage limitations. In fact, many of these customers have continued to use their free accounts for years.

j2 Global uses over eleven million telephone numbers globally to provide these services. Of those eleven million telephone numbers, approximately eight million are used to provide free service to customers in the United States.

j2 Global supports the American Recovery and Reinvestment Act of 2009’s “goal of making broadband universally available to all people of the United States,” and the Commission’s efforts to achieve that goal through the Broadband Plan proceeding.² As Congress recognized, achieving this goal requires, among other things, a particular focus on “affordability” and on “maximum utilization of broadband infrastructure and service by the public.”³

The services that j2 Global provides further these efforts. Free voicemail and fax email delivery services encourage a variety of users – including people of limited means, unemployed people using the services for a job search, and small start-up businesses – to utilize broadband infrastructure. Because these services are free to end users, they are available to anyone with an Internet connection, thereby encouraging broadband utilization and, of course, affordability.⁴ Moreover, many consumers begin as users of free Internet services, and their experiences lead

² *Comment Sought on the Role of the Universal Service Fund and Intercarrier Compensation in the National Broadband Plan*, Public Notice, NBP Notice 19, GN Docket Nos 09-47, 09-51, 09-137, ¶ 1, n. 2 (Nov. 13, 2009).

³ *A National Broadband Plan for Our Future*, Notice of Inquiry, GN Docket No. 09-51 (“*Broadband NOF*”), ¶ 9 (Apr. 8, 2009).

⁴ Like many Internet applications, a broadband connection is not required to utilize j2 Global’s free services, but such a connection dramatically improves the user’s experience

them to purchase other services, thereby further promoting broadband utilization. As the Commission has recognized, “High-speed ubiquitous broadband can . . . open the doors of opportunity for more Americans, no matter who they are, where they live, or the particular circumstances of their lives.”⁵ j2 Global’s services play a role in opening those doors of opportunity.

j2 Global submits these Comments to ask that the Commission consider the impact on services like j2 Global’s as it examines reform of the universal service contribution methodology. While changing the contribution methodology can undoubtedly serve the Commission’s goals in making broadband available to all Americans, it should be done in a way that does not unnecessarily impact services like those provided by j2 Global. In particular, the Commission should exercise care in considering the details of any numbers-based methodology.

If the Commission were to assess universal service charges on all telephone numbers in use without an exemption for free and low-volume services such as those provided by j2 Global, j2 Global would almost certainly cease to provide free services. The result would be a loss of utility for its subscribers and a loss of business for the companies that supply j2 Global telephone numbers and communications services. At the same time, there would be no countervailing benefit for universal service revenue purposes, as the numbers used by j2 Global’s free services would be taken out of service. Additionally, such an approach would effectively destroy a commonly utilized business model – free trials for any service using phone numbers – that has brought to market a bevy of new technologies and service offerings and has attracted millions of subscribers.

⁵ *Broadband NOI*, ¶ 1.

Accordingly, j2 Global recommends that any numbers-based approach specifically exempt from contribution requirements low-volume, stand-alone services that are provided at minimal or no cost to the consumer. The administrative costs associated with differentiating these numbers for assessment purposes would be minimal, and doing so would ensure consumers' continuing enjoyment of these services.

* * *

For the foregoing reasons, j2 Global respectfully requests that the Commission consider the impact of any changes to the universal service contribution methodology on services such as j2 Global's. j2 Global further asks that if the Commission adopts a numbers-based methodology, it exempt from contribution requirements low-volume users from such a charge. j2 Global fully supports the goals of the Commission's Broadband Plan and the Universal Service Fund. However, j2 Global urges the Commission not to adopt changes that would unnecessarily eliminate services on which millions of U.S. users rely.

Respectfully Submitted,

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December 7, 2009