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LATHAM & WATKINS LLP

August 12, 2010

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Notification of Ex Parte Presentation of Toyota Motor Sales, Inc., *Universal Service Contribution Methodology*, WC Docket No. 06-122

Dear Ms. Dortch:

On August 11, 2010, Michelle Avary of Toyota Motor Sales, Inc. ("Toyota") and the undersigned met with Vickie Robinson, Carol Pomponio, Claudia Fox, and Jennifer Wertheimer of the Wireline Competition Bureau regarding the universal service fund ("USF") contribution methodology. Pursuant to Section 1.1206 of the Commission's rules, Toyota summarizes below the arguments presented at this meeting.

We first provided background information regarding Toyota's subscription-based telematics services, which include airbag deployment notification, emergency services dispatch, stolen vehicle location assistance, and roadside assistance, among other features. We then explained that Toyota relies on a CMRS carrier to connect telematics subscribers to a dedicated call center, and that Toyota in turn pays very low USF fees based on telematics subscribers' correspondingly low monthly CMRS usage.

Consistent with prior submissions in this docket, Toyota expressed its view that the Commission's revenue-based methodology represents the best means of assessing USF fees on users of the telecommunications underlying telematics services. Toyota reiterated its opposition to imposing any numbers-based USF assessments on providers of telematics services and explained that any form of connections-based USF assessments would cause the same problems if extended to telematics providers. In contrast to the modest pass-through of revenue-based USF charges that Toyota pays today, a numbers-based or connections-based contribution

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methodology would impose dramatically higher costs that would adversely affect Toyota's ability to offer telematics services—and in turn would undermine the public safety benefits delivered by those services. In addition, we explained that Toyota, as a *purchaser* (rather than *provider*) of CMRS service, could not reasonably be required to make regulatory filings and direct USF contributions to USAC.

While Toyota has not taken a position on whether the Commission should broaden the contribution base or make other adjustments in the event it retains the revenue-based contribution methodology, it expressed its eagerness to work with the Commission on any alternative to a numbers- or connections-based contribution methodology. While those flat-rate fee proposals could have a devastating impact on telematics services, the proportionality inherent in the revenue-based methodology results in reasonable assessments for low-volume users of telecommunications services, in Toyota's experience. We also discussed the legal problems associated with applying a numbers- or connections-based methodology to services that make minimal (if any) use of the PSTN; by contrast, imposing revenue-based assessments conforms to Section 254(d)'s requirement of equitable and nondiscriminatory charges.

Please contact the undersigned with any questions regarding this filing.

Sincerely

/s/ Matthew A. Brill

Matthew A. Brill
of Latham & Watkins LLP
Counsel for Toyota Motor Sales, Inc.

cc: Vickie Robinson
Carol Pomponio
Claudia Fox