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VIA ECFS

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

**Re: Notice of Ex Parte, Universal Service Contribution Methodology
WC Docket No. 06-122; GN Docket No. 09-51; WC Docket No. 05-337**

Dear Ms. Dortch:

Yesterday, Jim Ucci of SouthernLINC Wireless (*via* conference call) and I met with Nicholas Degani, Carol Pomponio, Vickie Robinson, and Claudia Fox of the Wireline Competition Bureau to discuss reform of the universal service fund contribution mechanism and the strengths and weaknesses of various contribution methodologies.

During the meeting, SouthernLINC Wireless expressed its support for expansion of the contribution base to include broadband service providers. We also discussed various contribution mechanisms and explained why modification of the current revenues-based contribution mechanism or implementation of a new connections-based contribution mechanism would be far preferable to any hybrid contribution mechanism. A hybrid contribution mechanism would be unnecessarily burdensome for both contributors and regulators, and would create incentives for contributors and end users to minimize contributions by manipulating the manner in which they use numbers or services, producing unintended consequences (*e.g.*, increased or decreased demand for telephone numbers).

A pure numbering-based contribution mechanism is not possible since many services, including broadband services, can be provided without the use of any numbers. As such, the Commission should reject all contribution reform proposals that would rely in part on telephone numbers for the same reasons the agency should reject any other hybrid contribution mechanism. Moreover, contribution mechanisms that rely in part on numbers would not facilitate the expansion of the contribution base. Contrary to the claims by some supporters of numbers-based hybrid mechanisms, the Commission cannot rely on its plenary authority over numbering administration to mandate contributions to the universal service fund based solely upon the use of a number, which can be used with purely intrastate services. Put simply, there is no rational connection between the Commission's plenary jurisdiction under section 251(e) of the

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Communications Act of 1934, as amended, 47 U.S.C. §251(e), over numbering administration and its authority under section 254(d) of the Act, 47 U.S.C. §254(d), to require providers of interstate telecommunications and telecommunications services to contribute to the universal service fund. Therefore, reliance on numbers would not expand or resolve questions about the scope of the Commission's authority.

Finally, we discussed how expanding the contribution base could potentially ease the difficulties associated with allocating revenues between telecommunications services and information services, which has been one of the main criticisms of the revenues-based contribution methodology. For similar reasons, expansion of the contribution base could simplify the allocation of connections under a connections-based contribution mechanism, which could rely upon the precedent established for jurisdictional separations to ease identify connections that are "interstate" for contribution purposes.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this letter is being filed *via* ECFS with your office. Please contact the undersigned if you have any questions or need additional information.

Respectfully submitted,



Todd D. Daubert
Counsel for SouthernLINC Wireless

cc: Nicholas Degani, WCB
Carol Pomponio, WCB
Vickie Robinson, WCB
Claudia Fox, WCB