INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

September 29, 2010

Marlene H. Dortch
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Universal Service Contribution Methodology
WC Docket Nos. 05-337, 06-122
GN Docket No. 09-51

Dear Ms. Dortch:

The Independent Telephone & Telecommunications Alliance (ITTA) hereby files this letter as an *ex parte* submission in the above-captioned dockets. ITTA represents mid-sized telecommunications providers that collectively serve 20 million access lines across 44 states. ITTA members serve in primarily rural areas, and provide end-users with wireline and wireless broadband, voice, and video services. ITTA supports reform of Universal Service Fund (USF) contribution policies in a manner that will broaden the contribution base and result in equitable outcomes for all who rely upon the supported network.

The Commission and the industry are embarking upon a critical effort to increase broadband deployment throughout the Nation. Successful outcomes will rely upon the implementation of efficient and rational mechanisms that ensure sufficient support for networks in areas where ordinarily-occurring economic incentives are inadequate to maintain a business model for broadband. Toward that end, the current USF model that blends private investment with supplemental support will serve as a springboard for future National achievements. And, in the quest to bring broadband further, the Commission should necessarily include those who rely upon upon the network within the community of those who must support it.

As a preliminary and overarching matter, universal service contribution reform must result in competitively equitable outcomes. The base of contributors should be expanded, and new contribution mechanisms should be administratively simple in order to contain associated costs. In line with these goals, a numbers/connections approach would be an administratively easier effort to engage. To the extent the Commission rejects a connections-based approach in favor of a revenues-based model, then that latter system must ensure that any high-cost surcharges are

1101 Vermont Avenue, NW, Suite 501 • Washington, DC 20005 • 202.898.1520 (tel) 202.898.1589 (fax) • www.itta.us

applied on all revenues that result from reliance upon the network. The principles of regulatory parity, administrative ease, and equitable distribution of responsibility must attend vital and much needed reform of USF contribution mechanisms.

Please do not hesitate to contact me if you have any questions or require additional information.

Respectfully submitted,

Joshua Seidemann
Vice President, Regulatory Affairs