



October 5, 2011

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

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; High-Cost Universal Service Support, WC Docket No. 05-337; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

A number of recent filings in these dockets have suggested that the intercarrier compensation reforms proposed in the ABC Plan may harm consumers. These filings point to the ABC Plan's provision that would allow for modest increases in subscriber line charges as being equivalent to net consumer price increases. This ignores the very substantial benefits in the ABC Plan's proposal to dramatically reduce per minute charges for using the network. If history is any guide, the benefits of these reductions to consumers will far outweigh any costs from increases in subscriber line charges. The attached chart shows consumer expenditures on fixed line voice services. In 2000, the Commission took a reform step similar to that proposed in the ABC Plan. The CALLS and MAG plans instituted increases in caps on subscriber line charges while cutting per minute charges. The net result was a reduction in what consumers paid for voice service, as shown on the attached chart. Focusing only on potential increases in subscriber line charges and ignoring the benefits of lower per minute charges distorts the ABC Plan and the benefits it brings to consumers. The net benefits of the intercarrier compensation reforms proposed in the ABC Plan are approximately \$9 billion. See ABC Plan, Attachment 4, Professor Jerry Hausman, *Consumer Benefits of Low Intercarrier Compensation Rates*.

Pursuant to Commission rules, please include a copy of this filing in each of the above-referenced dockets.

Sincerely,

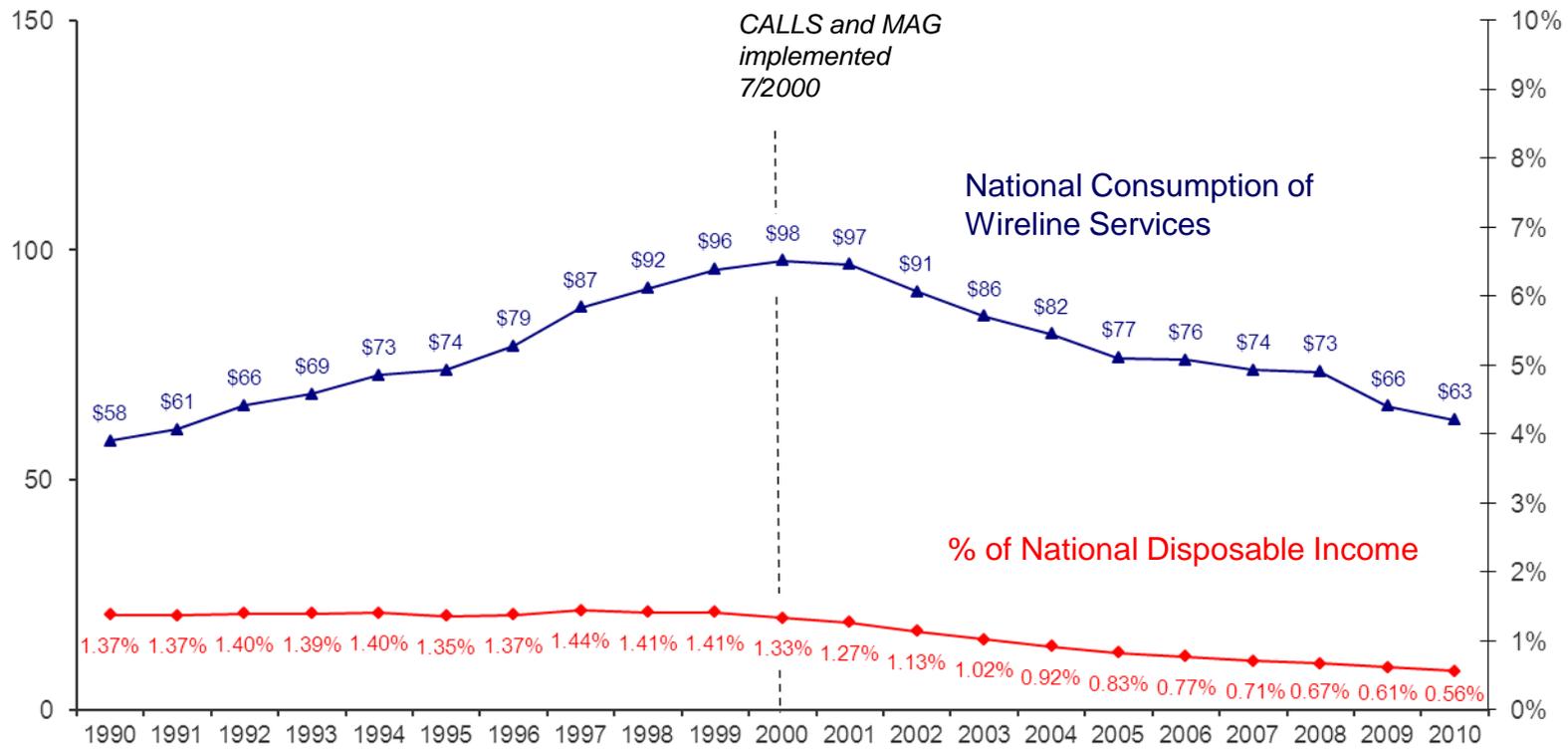
A handwritten signature in blue ink that reads "Jonathan Banks".

Jonathan Banks

Attachment (1)

Consumer Spending on Wireline Voice Has Declined Every Year Since 2000

U.S. Personal Consumption Expenditures on Wireline Services (\$ billions) and % of National Disposable Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis and USTelecom Analysis.