



March 29, 2012

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Portals II, Room TW-A325  
Washington, DC 20554

**RE: Universal Service Contribution Methodology, WC Docket No. 06-122;  
Federal-State Board on Universal Service, CC Docket No. 96-45; and  
A National Broadband Plan for Our Future, GN Docket No. 09-51**

Dear Ms. Dortch:

In addition to promptly adopting the suggestions for interim reform suggested by USTelecom in its letter of March 28, 2012,<sup>1</sup> the Commission should ensure that any notice of proposed rulemaking concerning potential reforms to the contribution side of universal service carefully explore longer-term reform that would address the appropriate composition of the base of support for universal service funding. In defining a future base of support it is critical that the base must be sustainable, adequate, and avoid disparate competitive impacts.

In the legacy voice environment, the point-to-point nature of voice calls made it economically rational to design a system of assessing providers (and permitting them to proportionately pass on the assessment to their end users) where connected end users could reasonably see an increase in the value of their service due to its universality. The broadband world is different. The Commission should assess which and to what degree various individuals and entities benefit from ubiquitous broadband access. To do so, a Notice of Proposed Rulemaking should consider whether:

- (1) the beneficiaries of a universal broadband network are principally residential end users, or if edge providers whose business plans depend greatly on broadband traffic to and from residential users also derive a significant benefit;
- (2) “horizontal” end-user participants in the broadband ecosystem have the same stake in network ubiquity as “vertical” edge providers;
- (3) the point-to-point justification applies in the broadband world as it applied to the legacy voice network;

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<sup>1</sup> See Letter submitted by David B. Cohen on behalf of USTelecom, Universal Service Contribution Methodology, WC Docket No. 06-122; Federal –State Joint Board on Universal Service, CC Docket No. 96-45; and A National Broadband Plan for Our Future, GN Docket No. 09-51 (filed March 28, 2012).

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- (4) it is appropriate to include a broader range of participants in the broadband ecosystem to participate in funding universal service, how this can be accomplished; and
- (5) such participants can be assessed fairly, and if so, how.

USTelecom is committed to working with the Commission to address these important questions and thus to improve the universal service contribution system to ensure its fairness, adequacy and sustainability. We urge the Commission to raise these issues explicitly in any rule-making notice it issues to examine universal service contribution methodologies. USTelecom looks forward to a thorough examination of the issues raised herein as the Commission proceeds to reexamine its approach to funding universal service consistent with section 254.

Sincerely yours,



David B. Cohen  
Vice President, Policy  
USTelecom – The Broadband Association

cc: Carol Matthey  
Trent Harkrader  
Vickie Robinson