

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Universal Service Contribution	)	WC Docket No. 06-122
Methodology: a National Broadband	)	GN Docket No. 09-51
Plan for Our Future	)	

**COMMENTS OF THE VOICE ON THE NET COALITION**

The Voice on the Net Coalition (“VON Coalition”)<sup>1</sup> hereby submits these comments in response to the Commission’s *Further Notice of Proposed Rulemaking* in the above-referenced dockets.<sup>2</sup> The VON Coalition supports the Commission’s efforts to reform the Universal Service contribution methodology and urges the Commission to shift the methodology away from one that is based on revenue and to one based more on connections. The VON Coalition is working with other interested parties in an effort to develop a more specific approach with broad support that is both equitable and efficient and will report to the Commission regarding any success with that effort.

The dramatic growth in the use of IP services and IP networks compels the Commission to rethink the methodology for assessing and collecting Universal Service contributions. This growth now means that all devices, phones, televisions, and computers, are each performing more and more functions and leveraging off the other.

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<sup>1</sup> The VON Coalition works to advance regulatory policies that enable Americans to take advantage of the promise and potential of IP enabled communications. VON Coalition members are developing and delivering voice and other communications applications that may be used over the Internet. VON Coalition members include AT&T, Broadvox, BT, Cloud Communications Alliance, Google, iBasis, Microsoft, Nextiva, Skype, Vonage, and Yahoo.

<sup>2</sup> FCC 12-46, released April 30, 2012, 77 Federal Register 33896 (June 7, 2012).

Voice over Internet Protocol (VoIP) has become the obvious choice for residential, business and government users seeking to reduce costs while increasing functionality.

From a contribution methodology perspective, there is almost unanimous agreement that reliance on interstate revenues to fund USF will not be sustainable as consumers utilize new forms of communications that do not align with existing definitions for telecommunications. Carriers continue to struggle with a Form 499 that does not adequately account for service bundles that include what were once called local and long distance services (but today do not recognize geographic boundaries), software, account management features, and information services. There is also continued confusion as to the responsibility of payment by wholesale and retail providers, service providers to the government, international service providers and providers of managed services.

Rather than focus resources on modifications to the current revenues-based contribution methodology, the VON Coalition supports a shift to a connections-based contribution methodology that will remove the guesswork from the payment process and put in place a framework that promotes IP services and does not damage the ability of IP services to emerge and grow.

Toward that end, the VON Coalition is working with other interested parties and stakeholders to develop a contribution methodology based on connections that is simple and fair and provides the necessary revenue to support the funding for Universal Service programs.

Respectfully submitted,

VOICE ON THE NET COALITION

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