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**EX PARTE MEMORANDUM**

December 20, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

Re: Universal Service Contribution Methodology,  
CC Docket No. 96-45; WC Docket No. 06-122

On December 19, 2007, Allan Fromm, Darlene Campbell, Brian Gilmore, Dave Wenhold and the undersigned as counsel, representing the Association of TeleServices International, Inc. (ATSI), met with various Commission officials concerning the proposed numbers-based contribution methodology for funding the Universal Service Fund (USF). The Commission officials attending the meetings included John W. Hunter, Chief of Staff & Senior Legal Advisor to Commissioner McDowell; Scott Bergmann, Legal Advisor to Commissioner Adelstein; Ian Dillner, Legal Advisor to Chairman Martin; Scott Deutchman, Legal Advisor to Commissioner Copps; and Jeremy Marcus, Thomas Buckley and Greg Guice, Telecommunications Access Policy Division, Wireline Competition Bureau.

After first summarizing information concerning the industry represented by ATSI set forth in the attached brochure, the ATSI representatives expressed their concerns about the pending proposal to convert to a numbers-based system, and outlined the substantial adverse impact such a contribution methodology would have on the industry represented by ATSI, if contributions were assessed on a uniform, per-number basis. The ATSI representatives noted that ATSI members use a disproportionate amount of telephone numbers because significant blocks of Direct Inward Dial (DID) numbers are employed in their businesses for network signaling and call distribution purposes. The average ATSI member has approximately 2,000 DID numbers assigned to it by Local Exchange Carriers (LECs) generating less than five minutes of network use each per day (which is overwhelmingly local usage, rather than interstate), compared to 25-30 minutes of use associated with the typical wireless or wireline telephone number. The current USF contribution by ATSI members translates to approximately six cents per DID number per month.

At the publicly discussed contribution levels on the order of \$1.20 to \$1.50 per number, the USF contribution for the industry represented by ATSI would dramatically increase, and would approach 10% of a member's entire gross revenue. The ATSI representatives expressed the hope that any numbers-based USF contribution methodology adopted by the Commission would be more equitable than a uniform, per-number fee assessed against ATSI member DID numbers.

Marlene H. Dortch, Secretary

December 20, 2007

Page Two

In the discussions with Mr. Dillner and with the staff of the Telecommunications Access Policy Division, the ATSI representatives also pointed out that assessing USF contributions on a per-number basis would create incentives to curtail number usage, both by conservation measures and by investments in alternative technologies that do not rely upon telephone numbers for call routing and distribution purposes. Such reductions in number usage, not just by the industry represented by ATSI but also by other users of large blocks of numbers, would decrease the base of numbers for contributions and increase the USF revenue requirement per number beyond the projected \$1.20-\$1.50 assessment, perhaps dramatically.

Attached are copies of the handouts provided to the Commission officials during the meetings.

Respectfully submitted,

s/Kenneth E. Hardman

Enclosure

cc: John W. Hunter, Esq.  
Scott Bergmann, Esq.  
Ian Dillner, Esq.  
Scott Deutchman, Esq.  
Mr. Jeremy Marcus  
Mr. Thomas Buckley  
Mr. Greg Guice

## AMERICA'S PRIVATE SECTOR CRITICAL RESPONSE CENTERS

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*In the dark silence of the night, there are a few lights forever burning – a few voices never stilled.*

*Those lights are your community's Private Sector Critical Response Centers. The voices are those of 40,000 skilled agents.*

*For nearly 100 years, PSCRC agents have faithfully answered America's critical calls around the clock, every day and night. Their caring voices bring a feeling of security, whatever the need or the hour.*

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9-1-1 centers are well understood by the public to be government entities handling calls from the public for first responders – fire, police and ambulance.

Yet when trouble strikes, 9-1-1 is not the only telephone number Americans dial for assistance. Citizens understand less about how other types of emergency calls are handled – and by whom.

Many of the critical elements of America's vital infrastructure – government, not-for-profit, professional, healthcare and commercial entities – contract with America's Private Sector Critical Response Centers (PSCRC) to handle emergency calls.

PSCRCs are local businesses, and most have less than 25 employees. Many are woman-owned small businesses, often owned by the same family for multiple generations. Some are operated by not-for-profit organizations such as medical societies and charity hospitals.

The business requires an extremely high level of technical knowledge and competence, especially in the operations and functionality of the Public

Switched Telephone Network (PSTN) and the Internet. Today's PSCRC physical plant is impressive in its disaster readiness and notable for the extensive technology required to interface both voice and data communications with hundreds of subscribers.

Owners and senior managers are experts at analyzing, planning and implementing routine, critical and emergency communications protocols.

PSCRC agents undergo extensive screening to gain entry-level positions and must complete intensive training in technical and soft skills, followed by routine evaluations – typically on a bi-weekly basis.

As they handle emergency calls, agents evaluate each contact and execute sophisticated relay protocols that often vary as circumstances develop. Callers may be routed via the PSTN or Internet directly to client personnel or a contact record may be created for subsequent dispatch, escalation and broadcast.

The technology and public networks that carry calls and data between subscribers and PSCRC agents have changed dramatically since the early 20th century. People haven't. Private Sector Critical Response Centers remain critical to callers in distress.

PSCRC agents provide essential services for 21st century Americans.

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- . **2,746** PSCRCs across the 50 United States
  - . **44,711** U.S. citizen employees
  - . **3.6** billion call transactions handled annually
  - . **1.4** million government, not-for-profit, professional, healthcare and commercial subscribers
  - . **\$552,170** – average annual gross revenues per business
  - . **45** percent of average gross revenues goes to direct payroll expenses
  - . **\$1.5** billion annual gross revenues – industry-wide
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### TYPICAL PSCRC SUBSCRIBERS

#### Commercial Continuity

Banks  
Fuel Delivery Services (emergency generators)

#### Communications

Cable (MSO) Service Providers  
Internet Service Providers  
Telephone Carriers  
Wireless Messaging Carriers  
Wireless Telephone Carriers

#### Disaster Relief / Crisis Assistance

Rape Crisis Centers  
Red Cross  
Search & Rescue Leagues  
Suicide Hotlines

#### Environmental Services

Environmental Agencies  
Environmental Contamination & Cleanup Services  
Hazardous Material Response Services  
HazMat Decontamination Teams

#### Federal and State Government

Federal Reserve Bank Branches  
Homeland Security Regional Offices  
Immigration and Customs Enforcement  
Field Offices  
OSHA Field Offices  
State Regulatory Commissions

#### Foreign Government

Consulates  
Embassies

#### Industrial Operations

Chemical Plants  
Gas Distribution Companies  
Petrochemical Plants  
Pipeline Operations

#### Healthcare

Ambulance Services (private sector)  
Blood Centers  
Burn Centers  
Clinics  
Funeral Homes, Crematoriums  
Home Health Services  
Hospices  
Hospitals — General, Specialty, Pediatric  
Infusion Therapists  
Oxygen Supply Delivery  
Public Health Clinics  
Physicians  
Surgeons  
Trauma Centers & Emergency Rooms

#### Miscellaneous Services

Animal Control Services  
ASPCA  
Veterinary Services

#### Public Safety

9-1-1 Public Safety Answering Points  
Alcohol, Tobacco & Firearms Field Offices  
Emergency Auto Removal (mass evacuations)  
Emergency Operations Centers (local and state)  
Federal Bureau of Investigation Field Offices  
Law Enforcement (county, state, highway)  
Police (local)  
Sheriff and Constable Offices  
Volunteer Fire Departments

#### Public Utilities

Electrical Power Utilities  
Heating Oil Delivery  
Natural Gas Utilities  
Propane/Butane Delivery  
Water Companies

#### Transportation

Airfreight  
Airport Operations  
Flight Base Operations Units  
Marine Freight & Shipping  
Rail Freight  
Rail Operations Centers  
Regional Traffic Control Centers  
Sea Ports

ASSOCIATION OF TELESERVICES INTERNATIONAL

Docket Nos. 96-45, 06-122

December 19, 2007

- \* Imposing a flat, per number charge for USF contributions could, unless properly structured, impose substantial, onerous operating cost increases on ATSI members
  - \* ATSI members are assigned an average of approximately 2,000 DID numbers each by carriers
  - \* Telephone calls associated with DID numbers utilized by a typical ATSI member are overwhelmingly local, not interstate
  - \* USF contributions currently paid by ATSI members approximate \$0.06 per DID number per month
  - \* A flat, numbers-based contribution methodology likely would skyrocket a typical ATSI member's USF contribution from approximately \$120 per month to a range of approximately \$2,400 to \$3,200 per month for the DID numbers alone
- \* DID numbers are not like "ordinary" telephone numbers for USF contribution purposes
  - \* DID numbers assigned to ATSI members typically generate less than 5 minutes of network usage per day, compared to approximately 25-30 minutes of network usage generated by the typical wireless or wireline telephone number
  - \* DID numbers characteristically are used by ATSI members for internal network signaling or call distribution purposes rather than for the origination or termination of telephone calls by the world at large