



January 22, 2015

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Notice of ex parte –*Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act* (GN Docket No. 15-191); *Connect America Fund A National Broadband Plan for Our Future High-Cost Universal Service Support* (WC Docket No. 10-90); *Federal-State Joint Board on Universal Service Lifeline and Link Up Reform and Modernization* (WC Docket No. 11-42); *Universal Service Reform Mobility Fund* (WC Docket No. 10-208)

Dear Ms. Dortch:

On January 20-21, 2015, CTIA® President and CEO Meredith Attwell Baker and the undersigned met with the various Commission offices regarding the Commission’s Eleventh Broadband Progress Report pursuant to Section 706 of the Telecommunications Act of 1996 (“706 Report”) and universal service reform issues including Connect America Fund (“CAF”) Phase II, Mobility Fund Phase II, and Lifeline, in the above-referenced proceedings. A complete list of meeting participants is attached.

In the meetings, CTIA highlighted the significant role that mobile wireless broadband services have cemented in the lives of Americans, and expressed disappointment that the Commission’s forthcoming 706 Report may not affirmatively conclude that mobile wireless broadband deployment is occurring on a reasonable and timely basis. Specifically, CTIA noted that:

- The U.S. is the Global Leader in Mobile Wireless Broadband. First deployed in 2010, today, more than 99% of U.S. consumers have access to 4G/LTE,¹

¹ See *Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, Eighteenth Report, DA 15-1487, WT Docket No. 15-125, ¶ 38 (rel. Dec. 23, 2015) (“18th Mobile Competition Report”).



compared to only 35% of global consumers.² As of year-end 2014, the U.S. accounted for almost a third of global LTE connections.³

- o Consumer Adoption and Use of Mobile Wireless Broadband Has Skyrocketed. American consumers use more than 11.1 billion MB of data every day.⁴ As a result, mobile data usage increased more than 25% in 2014 alone, and more than ten times the volume from 2010.⁵ As of the first half of 2015, nearly half of American homes (47.4%) were wireless-only,⁶ and those who have smartphones only are more likely to be younger, lower income, and minority consumers.⁷
- o U.S. Wireless Industry Investment is Unprecedented. U.S. carriers invested in one year a record high of more than \$32 billion in capital expenditures in 2014, and more than \$166 billion since 2009.⁸

CTIA stressed that, if the Commission includes mobile wireless broadband in its analysis under Section 706 of the Telecommunications Act, then the Commission must conclude that mobile wireless broadband is being reasonably and timely deployed by any measure.

CTIA also discussed the wireless industry's support for universal service goals and policies through efficient and effectively managed federal universal service programs ("USF"). CTIA believes USF support, particularly in the high-cost and low-income programs, should be directed towards the services that reflect consumer demand. In most cases, consumers are migrating towards mobile wireless services.

² See *The Mobile Economy*, GSMA, at 11-12 (2015), http://www.gsma-mobileeconomy.com/GSMA_Global_Mobile_Economy_Report_2015.pdf.

³ Comments of CTIA, WT Docket No. 15-125, at 41 (filed June 29, 2015) ("CTIA 2015 Mobile Competition Report Comments").

⁴ Thomas Sawanobori and Dr. Robert Roche, *Mobile Data Demand: Growth Forecasts Met: Significant Growth Projects Continue to Drive the Need for More Spectrum*, CTIA – THE WIRELESS ASSOCIATION® (June 22, 2015), <http://www.ctia.org/docs/default-source/default-document-library/062115mobile-data-demands-white-paper.pdf>.

⁵ 18th Mobile Competition Report ¶ 149; CTIA 2015 Mobile Competition Report Comments at 7.

⁶ *Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, January-June 2015*, CENTER FOR DISEASE CONTROL AND PREVENTION (Dec. 2015), <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201512.pdf>.

⁷ John B. Horrigan and Maeve Duggan, *Home Broadband 2015*, PEW RESEARCH CENTER (Dec. 21, 2015), <http://www.pewinternet.org/2015/12/21/1-home-broadband-adoption-modest-decline-from-2013-to-2015/>.

⁸ See 18th Mobile Competition Report ¶ 107; *CTIA Annual Survey Report*, CTIA – THE WIRELESS ASSOCIATION® (June 2015), <http://www.ctia.org/your-wireless-life/how-wireless-works/annual-wireless-industry-survey>; CTIA 2015 Mobile Competition Report Comments at 12.



- A permanent and robust Mobility Fund is necessary to bring rural Americans access to wireless services who currently lack such access. CTIA urged the Commission to retain its commitment to provide at least \$500 million per year in Mobility Fund support.
- Wireless is essential to the Lifeline program. Wireless providers want an efficient and effective Lifeline program through improved eligibility and enrollment administration. Given that low-income consumers overwhelmingly choose wireless services, CTIA also noted that eligible low income consumers should have choice and control over the mobile wireless services that meet their needs, rather than the Commission choosing for them.
- A technology and competitively neutral Connect America Fund ("CAF") will ensure that limited resources are directed to the most efficient technologies to serve high-cost areas.

CTIA noted that, as the largest industry contributor to the federal USF (estimated at more than \$4 billion this year), the wireless industry is committed to supporting universal service programs that make efficient use of scarce public resources. For this reason, CTIA believes that the Commission should ensure that rural and low-income consumers can choose mobile wireless services through USF programs.

This letter is submitted consistent with the Commission's ex parte rules.

Sincerely,

/s/ Scott K. Bergmann

Scott K. Bergmann
Vice President
Regulatory Affairs

cc: Mignon Clyburn
Mike O'Rielly
Ajit Pai
Jessica Rosenworcel
Travis Litman
Amy Bender
Erin McGrath
Brendan Carr
Nicholas Degani
Louis Peraertz



Rebekah Goodheart
Edward Smith



Attachment

January 20 - 21, 2015 Meeting Participants

CTIA®:

Meredith Attwell Baker, President & CEO
Scott Bergmann, Vice President, Regulatory Affairs

Office of Commissioner Rosenworcel:

Jessica Rosenworcel, Commissioner
Travis Litman, Senior Legal Advisor
Johanna Thomas, Legal Advisor, Wireless

Office of Commissioner O’Rielly:

Mike O’Rielly, Commissioner
Erin McGrath, Legal Advisor, Wireless, Public Safety and International

Office of Commissioner Pai:

Ajit Pai, Commissioner
Brendan Carr, Legal Advisor, Wireless, Public Safety, and International
Nicholas Degani, Legal Advisor, Wireline

Office of Commissioner Clyburn:

Mignon Clyburn, Commissioner
Louis Peraertz, Senior Legal Advisor, Wireless, International, and Public Safety
Rebekah Goodheart, Legal Advisor, Wireline

Office of Chairman Wheeler:

Edward Smith, Legal Advisor, Wireless*

*Mr. Bergmann spoke by telephone with Mr. Smith on January 21, 2016.