

WILKINSON) BARKER) KNAUER) LLP

2300 N STREET, NW
SUITE 700
WASHINGTON, DC 20037
TEL 202.783.4141
FAX 202.783.5851
www.wbkiaw.com
L. CHARLES KELLER
202.383.3414

November 19, 2001

VIA ELECTRONIC FILING

Magalie Roman Salas
Secretary
Federal Communications Commission
445 - 12th Street, S.W.
Room TW-A325
Washington, D.C. 20554

*Re: Notice of Ex Parte Presentation – Arch Wireless, Inc., and PCIA
Revisions to the Universal Service Assessment Methodology
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, and 95-116*

Dear Ms. Salas:

This is to notify you that, on Friday, November 16, 2001, the undersigned, on behalf of Arch Wireless, Inc. ("Arch"), and Harold Salters of the Personal Communications Industry Association ("PCIA") met with the following Common Carrier Bureau staff members: Katherine Schroder, Chief, Accounting Policy Division; Anita Cheng, Assistant Chief, Accounting Policy Division; Jim Lande, Geoff Waldau, Greg Guice, and Paul Garnett.

The purpose of the meeting was to discuss the particular impact on the paging industry of certain proposals currently on the record in the above-referenced proceeding. We emphasized the importance of considering the impact on the paging industry of any proposed revisions to the assessment methodology because (1) lower average revenues per subscriber, stiff competition from other services, and thin margins make paging carriers more vulnerable to line items; and (2) the current state of transition in the paging industry militates in favor of a flexible, fair assessment methodology, and a revenue-based system best meets these needs. The materials used in the presentation are attached hereto.

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Please direct any questions regarding this filing to the undersigned.

Very truly yours,

WILKINSON BARKER KNAUER, LLP

By: _____ /s/

L. Charles Keller

Enclosure

cc: Harold Salters
Katherine Schroder
Anita Cheng
Jim Lande
Geoff Waldau
Greg Guice
Paul Garnett

UNIVERSAL SERVICE
Contribution Assessment Methodology

The Personal Communications Industry Association (PCIA)
Arch Wireless, Inc.

November 16, 2001

PAGING CARRIERS ARE UNIQUELY SITUATED

- Paging carriers have much lower revenue per subscriber (about \$8) than other carriers
 - Per-line assessment will affect paging carriers disproportionately
 - Paging carriers have less flexibility to pass on contributions because of competition with other types of services
- FCC recognized paging's uniqueness when it adopted a different, and lower, safe harbor percentage for paging
 - Twelve percent figure was based on paging carriers' earlier filings (not DEMS)
- Perceived industry trend among wireless carriers of bundled local and long distance minutes does not apply to paging industry
- Flat fee would be regressive for low-volume users and local paging carrier
- Section 254(h) requires all carriers to contribute. "USF Coalition" proposal exempts IXC's
- Revenue-based assessment and safe harbor continue to be most appropriate mechanisms for assessing USF contributions on paging carriers

**ANY FLAT FEE ASSESSMENT WILL VIOLATE EITHER
SECTION 2(b), SECTION 254(d), OR BOTH**

- In order to pass muster under Section 2(b), a flat fee proposal must be “revenue blind”
- In order to be equitable and non-discriminatory under Section 254(d), a flat fee proposal must account for carrier revenues
- All flat fee proposals currently on the record take revenues into account