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August 19, 2005

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Presentation – CC Docket No. 96-45

Dear Ms. Dortch:

On behalf of my client, TracFone Wireless, Inc., this letter is in response to a notice of ex parte presentation submitted by Verizon Wireless on August 16, 2005 in the above-captioned proceeding.

Verizon Wireless states that if the Commission adopts a numbers-based universal service contribution methodology to replace the current revenues-based methodology that there should be discounts on “secondary” numbers which are part of wireless carriers’ family share plans. Unlike its corporate affiliate, Verizon Communications, Verizon Wireless advocates special treatment only for wireless family share plans (see August 9, 2005 ex parte letter from Katherine O’Hara, Verizon Communications, filed in CC Docket No. 96-45). In contrast, Verizon Communications also supports adjustments for prepaid wireless services. Indeed, an even more compelling case can be made for per number adjustments for prepaid wireless. Providers of post-paid wireless family share plans at least have the opportunity to recover the per number charges from their customers; providers of prepaid services do not. However the universal service contributions are based, prepaid providers either must incorporate those costs in their rates or pay them out of their revenues, with no opportunity to recover the charges from customers.

More importantly, Verizon Wireless’s letter demonstrates graphically why a numbers-based contribution methodology would be bad public policy and should not be adopted. As stated by

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Verizon Wireless, because family share plans involve multiple users sharing a common bucket of minutes, the existence of multiple users in such plans limits each member's use of the network. In other words, Verizon Wireless is objecting to each number associated with a family share plan being assessed the full per number universal service charge because each number will be subject to less usage than a number on an individual plan. Verizon Wireless is correct: those who use less interstate telecommunications service should not be required to contribute the same amount of support to the Universal Service Fund as those who make greater use of the service. That is the situation today under the revenues-based methodology currently in place: the more a consumer uses, the more it pays. Basing universal service contributions on consumption results in the largest users paying the largest portion of universal service support, with lower volume users paying lesser portions. Verizon Wireless's plea for special treatment for wireless family share plans makes a very persuasive case as to why the current methodology based on interstate revenues should not be abandoned.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically. Please direct any questions regarding this letter to undersigned counsel for TracFone.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mitchell F. Brecher', with a long horizontal flourish extending to the right.

Mitchell F. Brecher

cc: Mr. Thomas Navin
Mr. Richard Lerner
Ms. Narda Jones
Ms. Cathy Carpino
Ms. Carol Pomponio
Mr. Rodger Woock
Mr. James Lande
Mr. Greg Guice
Mr. James Eisner