

As of October 31, 2005, 90.2% of our subscriber base possessed location capable handsets.

On August 31, 2005, 89.6% of our subscriber base possessed location capable handsets.

Analog to digital location-capable handsets conversion continue, but like many things, the last mile seems to be the most difficult. The rate of conversion to location capable handsets is currently about 0.3% per month. Reporter knows that among those who are not converting is a group of “prepaids.” Prepaids are people who obtained their phones for emergency purposes only and they rarely use them except in emergencies. Another group of subscribers will not change phones because they do not want to give up the range they have with the older analog phones. To entice people to change to the new technology we have offered free phones with contracts, termination of the older contracts without penalty, but the last 10% of our subscribers appear very reluctant to change to the new technology. The phones we offer cover a wide price range from inexpensive to more expensive and we offer short term and long term subscriber contracts. In order to obtain new calling features a subscriber must obtain a new location capable handset; Reporter is not expanding service offerings for its analog subscribers.

Ironically the 10% of Reporter’s subscribers discussed in the preceding paragraph constitutes a very loyal portion of our subscriber base. That loyalty translates into something all businesses desire: a lack of “churn.” Because these longtime subscribers do not churn their accounts, they do not receive new handsets and thus do not acquire the newer technology. Reporter hopes that the Commission does

not fault Reporter for its customers' great loyalty to our company and to our mobile service.¹

Granting the waiver requested herein will not frustrate the Commission's underlying goal of making location services available to the public as specified in the 95% location-capable handset subscriber penetration requirement. Beginning in March 2003 and continuing through May 2004 Reporter complied with various PSAP requests to provide Phase II service. Reporter satisfied these requests in a timely manner. Because Phase II service is available in our market, because the only handsets we distribute are location capable, and because it is consumer decision making which keeps Reporter achieving a 95% subscriber penetration level, granting the waiver will not delay any PSAP's provision and use of E911 location services and will not delay any subscriber who chooses to subscribe to a service which provides the location function. Accordingly, granting the instant waiver request will not frustrate the Commission's goal of achieving 95% subscriber penetration.

WHEREFORE, it is respectfully submitted that Reporter has demonstrated a good faith effort to reach the 95% location-capable handset penetration level, that Reporter is a mere 4.8% away from the 95% requirement, that customer loyalty

¹ 47 C.F.R. § 22.22.901(b) requires cellular carriers to provide AMPS service until February 18, 2008. It would seem reasonable to conclude that after that date customers who have not switched from older non-location capable AMPS handsets may likely need to switch at that time as cellular carriers begin to decommission AMPS systems.

appears to be the main factor precluding Reporter from reaching the 95% location-capable handset penetration level, that the Commission's goals would not be frustrated by a waiver grant, and that grant of the limited waiver requested herein would serve the public interest.

Respectfully submitted,
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