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March 9, 2006

VIA ELECTRONIC FILING

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

Re: CC Docket No. 96-45
Notice of Ex Parte Presentations

Dear Ms. Dortch:

On March 8, 2006, F.J. Pollak, President and CEO of TracFone Wireless, Inc., and I held several meetings with members of the Commission's staff. Meetings were held with Aaron Goldberger, Legal Advisor to Commissioner Deborah Taylor Tate; Jessica Rosenworcel, Legal Advisor to Commissioner Michael Copps; and with Scott Bergmann, Legal Advisor to Commissioner Jonathan Adelstein. In addition, we met with the following members of the Wireline Competition Bureau Telecommunications Access Policy Division: Narda Jones, Cathy Carpino, Carol Pomponio, Greg Guice, and Amy Bender.

During the meeting, TracFone reiterated positions it has taken throughout the Universal Service Contribution Methodology proceeding. Specifically, we pointed out that abandonment of a revenues-based contribution methodology and implementation of a methodology based on working telephone numbers would result in significant portions of the support for the Universal Service Fund being borne by low volume low income consumers. We also described how a numbers-based methodology would substantially increase the universal service burden on providers of prepaid wireless service. If the Commission promulgates a numbers-based methodology, we explained why prepaid wireless service should remain subject to a contribution methodology based on interstate telecommunications service revenues.

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During these meetings, we referred to several documents not previously on the record. Copies of each of those documents are attached hereto so that they may be included in the record for this docket. These documents include: 1) "USF - Comparing Numbers Tax vs. Current System; 2) "AT&T Universal Service Fund Rate, 1Q2002 to 4Q2005, Nation"; 3) "Telephone Penetration Households"; 4) "Average Monthly USF Cost per TracFone Subscriber"; and 5) "Market Share from Ovum Research."

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically in the above-captioned docket. If you have questions regarding this submission, please communicate directly with undersigned counsel for TracFone.

Sincerely,

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

Mitchell F. Brecher

Enclosures

cc: Mr. Aaron Goldberger
Ms. Jessica Rosenworcel
Mr. Scott Bergmann
Ms. Narda Jones
Ms. Cathy Carpino
Ms. Carol Pomponio
Mr. Greg Guice
Ms. Amy Bender

USF - Comparing Numbers Tax vs. Current System

Interstate Usage	Contribution 10% factor	Tax Rate	Contribution 11% factor	Tax Rate	Contribution 12% factor	Tax Rate
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1. Shows what the USF contribution rate is by user on the current system (10% - 12% factors)

\$	1	\$	0.10	10%	\$	0.11	11%	\$	0.12	12%
\$	5	\$	0.50	10%	\$	0.55	11%	\$	0.60	12%
\$	10	\$	1.00	10%	\$	1.10	11%	\$	1.20	12%
\$	20	\$	2.00	10%	\$	2.20	11%	\$	2.40	12%
\$	50	\$	5.00	10%	\$	5.50	11%	\$	6.00	12%
\$	100	\$	10.00	10%	\$	11.00	11%	\$	12.00	12%

2. Shows the tax rate as a percent of Interstate Revenues using numbers tax of \$1 - \$2 per month.

Interstate Usage	Numbers Plan \$1.00/Number	Tax Rate % Interstate Rev	Numbers Plan \$1.50/Number	Tax Rate % Interstate Rev	Numbers Plan \$2.00/Number	Tax Rate % Interstate Rev				
\$	1	\$	1.00	100%	\$	1.50	150%	\$	2.00	200%
\$	5	\$	1.00	20%	\$	1.50	30%	\$	2.00	40%
\$	10	\$	1.00	10%	\$	1.50	15%	\$	2.00	20%
\$	20	\$	1.00	5%	\$	1.50	8%	\$	2.00	10%
\$	50	\$	1.00	2%	\$	1.50	3%	\$	2.00	4%
\$	100	\$	1.00	1%	\$	1.50	2%	\$	2.00	2%

3. Shows the tax increase / decrease from Current System to Numbers System

Interstate Usage	Numbers Plan \$1.00/Number	Tax Increase \$1 vs. 10%	Numbers Plan \$1.50/Number	Tax Increase \$1.50 vs. 11%	Numbers Plan \$2.00/Number	Tax Increase \$2.00 vs. 12%				
\$	1	\$	1.00	900%	\$	1.50	1264%	\$	2.00	1567%
\$	5	\$	1.00	100%	\$	1.50	173%	\$	2.00	233%
\$	10	\$	1.00	0%	\$	1.50	36%	\$	2.00	67%
\$	20	\$	1.00	-50%	\$	1.50	-32%	\$	2.00	-17%
\$	50	\$	1.00	-80%	\$	1.50	-73%	\$	2.00	-67%
\$	100	\$	1.00	-90%	\$	1.50	-86%	\$	2.00	-83%

4. Shows relationship between Interstate Funding base and factor

Interstate Revenue Base (billions)	Funding 10% Factor (billions)	Funding 11% Factor (billions)	Funding 12% Factor (billions)	Funding 13% Factor (billions)	Funding 14% Factor (billions)
55	\$ 5.5	\$ 6.1	\$ 6.6	\$ 7.2	\$ 7.7
60	\$ 6.0	\$ 6.6	\$ 7.2	\$ 7.8	\$ 8.4
65	\$ 6.5	\$ 7.2	\$ 7.8	\$ 8.5	\$ 9.1
70	\$ 7.0	\$ 7.7	\$ 8.4	\$ 9.1	\$ 9.8
75	\$ 7.5	\$ 8.3	\$ 9.0	\$ 9.8	\$ 10.5

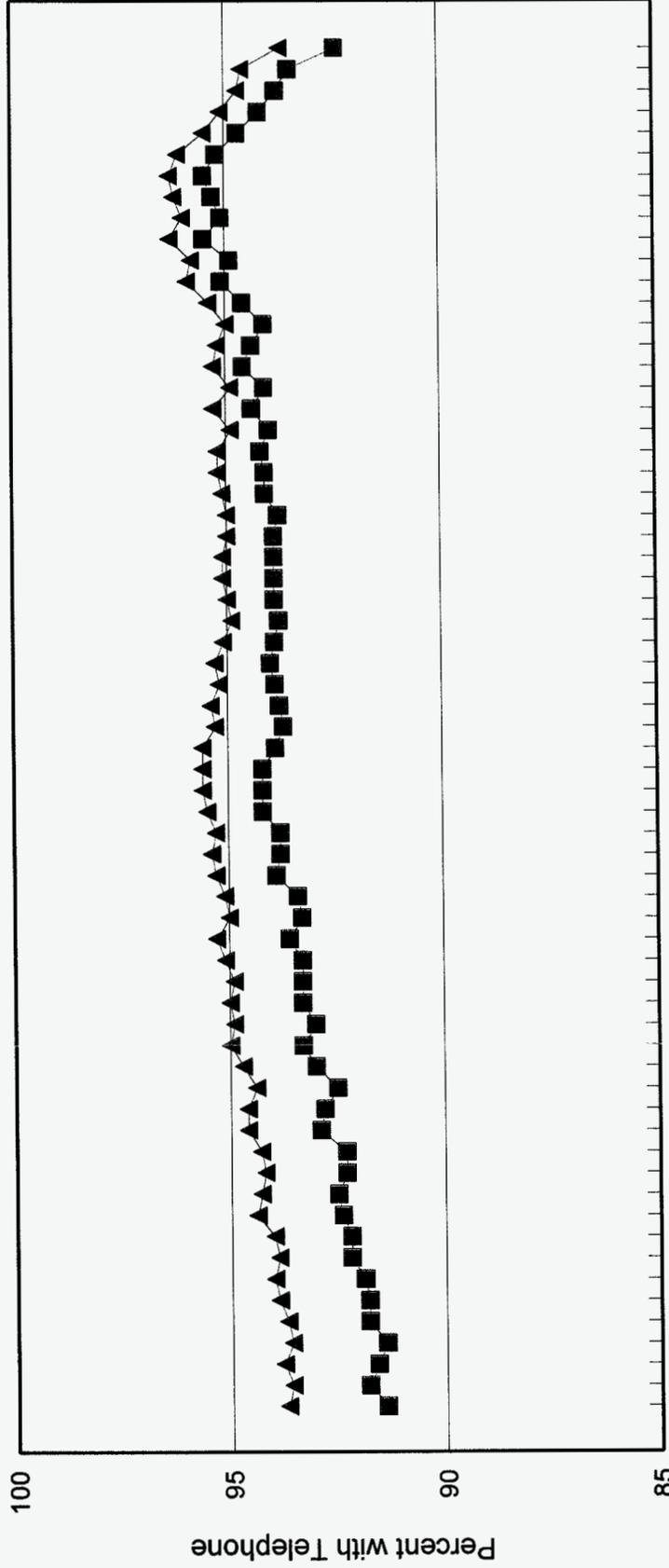
AT&T Universal Service Fund Rate, 1Q2002 to 4Q2005, Nation

Quarter	Bill Count	Total USF Charges	Total LD Charges	Average LD Bill	Average USF Charge	Calculated USF Rate	FCC USF Rate
1Q2002	1354	\$ 2,452.76	\$ 21,470.26	\$ 15.86	\$ 1.81	11.4%	6.81%
2Q2002	1219	\$ 2,086.93	\$ 17,840.97	\$ 14.64	\$ 1.71	11.7%	7.28%
3Q2002	1064	\$ 1,853.14	\$ 16,605.45	\$ 15.61	\$ 1.74	11.2%	7.28%
4Q2002	963	\$ 1,566.20	\$ 13,659.68	\$ 14.18	\$ 1.63	11.5%	7.28%
1Q2003	1061	\$ 1,779.81	\$ 15,637.09	\$ 14.74	\$ 1.68	11.4%	7.28%
2Q2003	829	\$ 1,027.22	\$ 10,900.98	\$ 13.15	\$ 1.24	9.4%	9.00%
3Q2003	694	\$ 931.98	\$ 9,703.79	\$ 13.98	\$ 1.34	9.6%	9.50%
4Q2003	594	\$ 743.49	\$ 8,067.64	\$ 13.58	\$ 1.25	9.2%	9.50%
1Q2004	665	\$ 923.39	\$ 10,677.05	\$ 16.06	\$ 1.39	8.6%	8.70%
2Q2004	527	\$ 664.46	\$ 7,346.72	\$ 13.94	\$ 1.26	9.0%	8.70%
3Q2004	468	\$ 629.72	\$ 7,190.17	\$ 15.36	\$ 1.35	8.8%	8.90%
4Q2004	342	\$ 439.64	\$ 4,908.72	\$ 14.35	\$ 1.29	9.0%	8.90%
1Q2005	258	\$ 424.71	\$ 4,073.51	\$ 15.79	\$ 1.65	10.4%	10.70%
2Q2005	321	\$ 610.55	\$ 5,624.04	\$ 17.52	\$ 1.90	10.9%	11.10%
3Q2005	296	\$ 490.09	\$ 4,869.16	\$ 16.45	\$ 1.66	10.1%	10.20%
4Q2005	211	\$ 319.68	\$ 3,198.14	\$ 15.16	\$ 1.52	10.0%	10.20%

Source: TNS Telecoms Bill Harvesting®. All Information in this document is proprietary and confidential and licensed under agreement with TNS Telecoms. Not for disclosure outside of organization except under written permission of TNS Telecoms.

Chart 1

Telephone Penetration Households

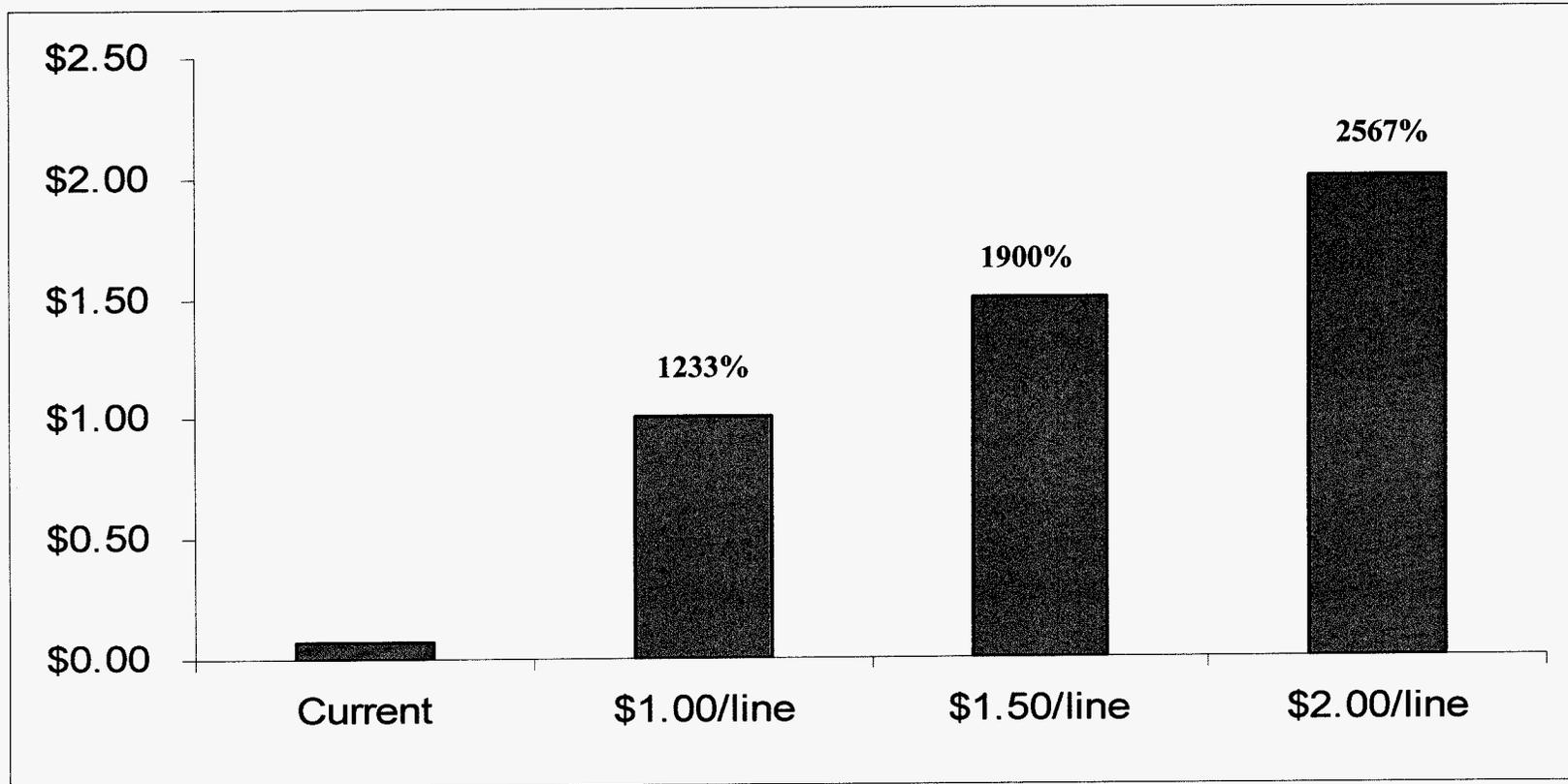


Month (March, July, November)

■ In Housing Unit ▲ Available



Average Monthly USF Cost per TRACFONE Subscriber



If the FCC decides to adopt a flat, numbers-based or connections-based USF tax and abandons the current system, low-volume users like those served by TRACFONE would be hit HARD.

Market Share from Ovum Research



Total Subscribers

	<u>Q4 2004</u>	<u>Q1 2005</u>	<u>Q2 2005</u>	<u>Q3 2005</u>	<u>Q4 2005</u>
1 Cingular	49,101,000	50,369,000	51,600,000	52,300,000	54,144,000
2 Verizon Wireless	43,816,000	45,500,000	47,400,000	49,300,000	51,300,000
3 Sprint	17,800,000	18,300,000	18,700,000	45,600,000	47,600,000
4 T-Mobile	17,314,000	18,271,000	19,243,000	20,302,000	21,690,000
5 Alltel	8,626,487	8,801,285	9,040,259	10,424,710	10,662,324
6 Tracfone	4,394,000	4,851,000	4,934,000	5,122,000	6,135,000
7 US Cellular	4,945,000	5,100,000	5,227,000	5,300,000	5,470,000
8 Virgin	3,000,000	3,500,000	3,500,000	3,900,000	4,100,000
9 Boost	1,186,000	1,500,000	1,713,000	1,987,000	2,611,000
10 Dobson	1,609,300	1,590,500	1,589,400	1,565,900	1,656,000
11 Centennial	544,900	544,400	546,700	592,000	614,100
12 Rural Cellular	729,811	726,747	716,775	704,605	
13 Nextel	15,000,000	15,500,000	16,100,000		
Total	168,066,498	174,553,932	180,310,134	197,098,215	205,982,424

Prepaid

	<u>Q4 2004</u>	<u>Q1 2005</u>	<u>Q2 2005</u>	<u>Q3 2005</u>	<u>Q4 2005</u>
1 Tracfone	4,394,000	4,851,000	4,934,000	5,122,000	6,135,000
2 Virgin	3,000,000	3,500,000	3,500,000	3,900,000	4,100,000
3 Cingular	3,200,000	3,287,000	3,096,000	3,071,000	3,271,000
4 T-Mobile	1,973,000	2,156,000	2,447,000	2,790,000	3,266,000
5 Boost	1,186,000	1,500,000	1,713,000	1,987,000	2,611,000
6 Verizon Wireless	1,533,560	1,547,000	1,533,000	1,500,000	1,599,000
7 Alltel	776,384	792,116	768,116	751,116	841,116
8 Centennial	17,100	18,200	22,000	14,800	19,000
9 Sprint					
10 Nextel					
11 US Cellular					
12 Dobson	46,300	50,200	58,100	58,800	
13 Rural Cellular	20,391	19,886	16,700	12,931	
Total	16,146,735	17,721,402	18,087,916	19,207,647	21,842,116