

August 1, 2006

USAC Billing & Disbursement  
2000 L Street, NW, Suite 200  
Washington, DC 20036

Re: Filer 499 ID 821002– New Cingular Wireless Services, Inc. –  
CONSOLIDATED; August 1, 2006 Form 499-Q

Dear Sir/Madam:

Under separate cover, Cingular Wireless, LLC (“Cingular”) has submitted its August 1, 2006 FCC Form 499-Q (“August 2006 499-Q”). That Form contained data regarding (1) historical revenues from the second quarter of 2006 and (2) projected revenues for the fourth quarter of 2006.

As USAC is aware, Cingular has in the past allocated all of its end-user telecommunications revenues between the intrastate and interstate jurisdictions using the so-called “wireless safe harbor” first adopted by the FCC in 1998.<sup>1</sup> In its August 2006 499-Q, Cingular has determined its historical second quarter 2006 interstate revenues using that approach, consistent with the way in which it allocated its “projected” revenues for that quarter in its February 2006 Form 499-Q. However, Cingular has calculated its projected fourth quarter 2006 revenues in a different manner. Specifically, in projecting its fourth quarter 2006 revenues, Cingular has allocated all non-toll telecommunications revenues using the 37.1% wireless safe harbor adopted in the FCC’s recent *2006 Contribution Order*,<sup>2</sup> but has allocated toll revenues according to the expected “actual” breakdown of those revenues.

Cingular emphasizes that it has revised its approach to toll revenue reporting only out of an abundance of caution. Cingular maintains that its previous approach – allocating *all* of its end-user telecommunications revenues using the safe harbor – was and remains proper. In fact, the Commission and its Wireline Competition Bureau have stated on at least six occasions that wireless carriers may allocate all such revenue using the safe harbor.<sup>3</sup> The last such statement appeared in the *2006 Contribution Order*,

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<sup>1</sup> See Cingular Wireless, LLC, *Request for Review of Decisions of Universal Service Administrator*, in CC Docket Nos. 96-45 and 97-21 (filed Mar. 31, 2006) (“USAC Appeal”); Letter from Ben G. Almond, Cingular, to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 96-45 & 97-21 (filed July 26, 2006) (“USAC Appeal Supplement”).

<sup>2</sup> See *Universal Service Contribution Methodology, et al.*, WC Docket No. 06-122 *et al.*, Report and Order and Notice of Proposed Rulemaking, FCC 06-94 (rel. June 27, 2006) (“*2006 Contribution Order*”).

<sup>3</sup> *Federal-State Joint Board on Universal Service*, 13 F.C.C.R. 21252, 21257-58 ¶ 13 (1998); *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting*

released just five weeks ago.<sup>4</sup> These Commission statements, as well as other factors described fully in Cingular's USAC Appeal and related materials,<sup>5</sup> make clear that Cingular's previous approach was entirely proper and consistent with the safe harbor's purposes. Thus, by revising its reporting methodology on a going-forward basis, Cingular has in no way changed or abandoned its position.

Please contact M. Robert Sutherland at (404) 236-6364 if you have questions or need additional information.

Sincerely,



Michael P. Goggin

cc: Jeffrey Mitchell

Marlene H. Dortch, Secretary, FCC (via electronic filing)

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*Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans With Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, 16 F.C.C.R. 9892, 9899-9900 ¶ 11 (2001); Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format, 17 F.C.C.R. 24952, 24966 ¶ 24 (2002); Reconsideration Federal-State Joint Board on Universal Service; 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms; Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990; Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size; Number Resource Optimization; Telephone Number Portability; Truth-in-Billing and Billing Format, 18 F.C.C.R. 1421, 1425 ¶ 8 n.24 (2003); Federal-State Joint Board on Universal Service, Access Charge Reform, Petition for Reconsideration and Clarification of the Fifth Circuit Remand Order of BellSouth Corporation, 20 F.C.C.R. 13779, 13782 ¶ 8 (WCB 2005); 2006 Contribution Order at ¶ 27.*

<sup>4</sup> See *id.*

<sup>5</sup> See USAC Appeal; USAC Appeal Supplement.