

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of Universal Service Contribution Methodology	)	WC Docket No. 06-122 DA 06-1615
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**REPLY COMMENTS OF T-MOBILE USA, INC.**

T-Mobile USA, Inc. (“T-Mobile”) fully supports the goals of universal service and recognizes the benefits of a viable, stable Universal Service Fund (“USF”). To that end, T-Mobile files these reply comments in response to the above-captioned Notice of Proposed Rulemaking (“NPRM”), which seeks feedback on the interim universal service measures the Federal Communications Commission (“Commission”) adopted in a recent order.<sup>1</sup> In response to the Commission’s inquiry, T-Mobile urges the Commission to retain flexibility in its contribution methodology, including permitting wireless carriers to rely on traffic studies and safe harbors.

**I. THE COMMISSION SHOULD MAINTAIN A FLEXIBLE CONTRIBUTION METHODOLOGY AND CONTINUE TO PERMIT WIRELESS CARRIERS TO RELY ON TRAFFIC STUDIES**

In the NPRM, the Commission seeks comment on whether it should continue to permit wireless carriers to rely on traffic studies to determine the jurisdictional nature of calls for purposes of USF contribution.<sup>2</sup> In past orders, the Commission has allowed

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<sup>1</sup> *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” or “NPRM”).

<sup>2</sup> *2006 Contribution Order*, at ¶ 66.

wireless carriers to report their interstate telecommunications revenues based on company-specific traffic studies.<sup>3</sup> The Commission reaffirmed this policy in its recent *2006 Contribution Order*.<sup>4</sup> Many wireless carriers have relied on traffic studies to report their actual interstate telecommunications revenues,<sup>5</sup> and they should continue to have the ability to do so. Traffic studies substantially reduce the administrative and economic burdens on carriers, and prohibiting the use of traffic studies now would require significant investment on the part of carriers to purchase or convert to data processing systems that could track interstate revenues on a call-by-call basis. Such a ban would be particularly wasteful considering that carriers may have to readjust their systems once again when the Commission completes more fundamental reform of the contribution methodology in the not-too-distant future.<sup>6</sup>

Moreover, traffic studies provide an accurate projection of actual usage for contribution calculations and are more than sufficient to meet the Commission's objectives. In its recent *2006 Contribution Order*, the Commission implemented additional safeguards to ensure the accuracy of traffic studies. These safeguards, mandating a 95% confidence level and submission of study reports with 499 Form filings, adequately maintain the integrity of USF contributions based on traffic studies.<sup>7</sup>

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<sup>3</sup> *Federal-State Joint Board on Universal Service, et al.*, Order and Order on Reconsideration, 18 FCC Rcd 1421, 1423 at ¶¶ 4, 8 (2003) ("*2003 Reconsideration Order*").

<sup>4</sup> *2006 Contribution Order* at ¶ 32 ("a mobile wireless provider may use traffic studies as a proxy for calculating its total amount of actual interstate revenues.")

<sup>5</sup> See *2003 Reconsideration Order*, 18 FCC Rcd 1421 at ¶ 4 (2003).

<sup>6</sup> *2006 Contribution Order* at ¶ 4 ("While we retain the revenue-based approach for now, we are committed to examining more fundamental reform in this proceeding. . . . the steps we take today are interim measures . . . .")

<sup>7</sup> See *2006 Contribution Order* at ¶ 32 and n. 115-116.

The Commission's guidance confirms its confidence that traffic studies conducted according to the Commission's newly adopted accuracy standards would produce an accurate measure of traffic usage for wireless carriers.<sup>8</sup> With that in mind, the Commission would experience no additional benefit by requiring the reporting of "actual" usage, on a call-by-call basis, as opposed to a precise overall traffic estimate. Conversely, mandating use of all call-specific data and records would substantially increase the burden and costs on wireless carriers, who would then be forced to divert time and resources from other service improvements. Finally, in addition to conducting accurate studies, wireless carriers will continue to retain their underlying traffic study documentation for submission to the Commission upon request.<sup>9</sup>

If the Commission nonetheless chooses to adopt additional standards for traffic studies, the requirements should be reasonable and flexible. Carriers should be able to rely on any reliable data in determining the jurisdiction of calls, including originating/terminating cell sites or a combination of cell sites and NPA-NXX. Permitting such flexibility will foster efficiency and accuracy in USF contributions.

## II. CONCLUSION

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<sup>8</sup> T-Mobile currently uses a sampling strategy that not only meets, but far exceeds the FCC's new accuracy standards. *See* T-Mobile 499 Form Traffic Study filed August 1, 2006.

<sup>9</sup> *2006 Contribution Order* at n. 115 ("Mobile wireless providers should retain all data underlying their traffic studies as well as all documentation necessary to facilitate an audit of the study data and be prepared to make this data and documentation available to the FCC upon request.")

For the foregoing reasons, T-Mobile urges it to retain flexibility in its contribution methodology, including permitting wireless carriers to rely on self-provisioned traffic studies and safe harbors.

Respectfully submitted,

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