

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

In the Matter of	)	
	)	
Assessment and Collection of Regulatory Fees	)	MD Docket No. 07-81
for Fiscal Year 2007	)	

**COMMENTS OF USA MOBILITY, INC.**

USA Mobility, Inc. (“USA Mobility”) respectfully submits these comments in response to the Commission’s Notice of Proposed Rulemaking in the above-captioned docket.<sup>1</sup> USA Mobility is the nation’s largest provider of traditional one-way and advanced two-way paging services, which are a form of Commercial Mobile Radio Service (“CMRS”) Messaging Services. For the reasons set forth below, the Commission should consider reducing the regulatory fee for CMRS Messaging Services or at least maintain the current assessment, as proposed in the *NPRM*.

The Communications Act of 1934, as amended (the “Act”), directs the Commission to set regulatory fees based on the costs and benefits of its regulatory activities as applied to distinct services.<sup>2</sup> Specifically, the Commission may recover its costs for enforcement activities, policy and rulemaking activities, user information services, and international activities by “determining the full-time equivalent number of employees performing” those activities and “tak[ing] into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”<sup>3</sup>

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<sup>1</sup> *Assessment and Collection of Regulatory Fees for Fiscal Year 2007*, Notice of Proposed Rulemaking, MD Docket No. 07-81, FCC 07-55 (rel. April 18, 2007) (“*NPRM*”).

<sup>2</sup> *See* 47 U.S.C. § 159.

<sup>3</sup> *Id.* at §§ 159(a)(1), (b)(1)(a), (b)(3).

As the Commission has determined in recent years and appropriately recognized in the *NPRM*, this standard strongly militates against any increase in the regulatory fee applied to CMRS Messaging Services. The mass market for paging services has declined rapidly as many consumers have migrated to mobile phone services. As the *NPRM* recognizes, the CMRS Messaging subscriber base has declined 79.7 percent since 1997 — from 40.8 million to 8.3 million<sup>4</sup> — with a decline of almost 2 million subscribers from fiscal year 2005 to 2006.<sup>5</sup> In turn, the Commission has devoted diminishing resources to regulating the paging industry. There have been no recent paging-specific rulemaking and the Commission’s licensing responsibilities for messaging services have become *de minimis*. Further, the Commission has not conducted any international activities related to the paging industry.

While paging services continue to play an essential role for particular customer segments, there is no substantial prospect of increasing subscribership or regulatory activity in the near future. Paging services provide a cost-effective and highly reliable text-messaging solution to first responders, health care officials, and government agencies<sup>6</sup> and also remain vital to many Fortune 1000 businesses and to low-income consumers.<sup>7</sup> While text messaging and other handset-based mobile data applications have increased, however, “subscriber numbers for paging

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<sup>4</sup> *NPRM* at ¶ 7.

<sup>5</sup> *Compare Assessment and Collection of Regulatory Fees for Fiscal Year 2006*, Notice of Proposed Rulemaking, MD Docket No. 06-68, FCC 06-38, ¶ 7 (rel. Mar. 27, 2006) (10.1 million paid units as of fiscal year end 2005) and *NPRM* at ¶ 7 (8.3 million paid units as of fiscal year end 2006).

<sup>6</sup> See Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks, *Report and Recommendations to the Federal Communications Commission*, at 10, 24 (June 12, 2006).

<sup>7</sup> Over 80 percent of the Fortune 1000 businesses are customers of USA Mobility.

continue to drop.”<sup>8</sup> Indeed, as the Commission has recognized, “this decline in subscribership may not be just a temporary phenomenon, but a more lasting one.”<sup>9</sup> Moreover, “because the messaging industry is spectrum-limited, geographically localized, and very cost sensitive, it is very difficult for this industry to pass on increases in costs to its subscribers.”<sup>10</sup> Thus, any potential increase in regulatory fees would be likely borne by carriers, causing further hardship to an already beleaguered industry.

For the foregoing reasons, the Commission should consider reducing the CMRS Messaging regulatory fee, or at a minimum should maintain the \$0.08 per subscriber fee in FY 2007.

Respectfully submitted,

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<sup>8</sup> *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, Eleventh Report, FCC 06-142, ¶ 166 (rel. Sept. 29, 2006). The Commission estimates that “there were 8.3 million paging units in service as of the end of 2005, down from 8.5 million paging units at the end of 2004, 11.2 million units at the end of 2003, and 14.1 million units at the end of 2002.” *Id.*

<sup>9</sup> *Assessment and Collection of Regulatory Fees for Fiscal Year 2003*, Report and Order, MD Docket No. 03-83, 18 FCC Rcd 15985, ¶ 21 (2003).

<sup>10</sup> *Id.*