



June 21, 2007

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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: *In the Matter of High-Cost Universal Service Support*, WC Docket No. 05-337
Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch:

Because T-Mobile U.S.A., Inc. (“T-Mobile”) is not currently a competitive eligible telecommunications carrier (“CETC”), it brings a unique perspective to the dialogue on the Joint Board’s *Recommended Decision* proposing an interim cap solely on the high-cost universal service support received by CETCs.¹ T-Mobile recognizes that controlling growth of the high-cost universal service fund is critical, and T-Mobile supports the Commission’s goal of efficiently supporting customers with a more stable high-cost fund.² However, instead of adopting a USF cap that primarily impacts one segment of the industry, T-Mobile urges the Commission to move forward with USF reform along the lines suggested in T-Mobile’s previous filings.³

T-Mobile agrees with CTIA that an interim cap applied proportionately to all those withdrawing dollars from the fund would maintain incentives for all sectors to continue working toward meaningful reform of the high-cost program.⁴ A high-cost support cap applied only to CETCs, which are predominantly wireless carriers, may merely insulate wireline inefficiencies from wireless competition and not advance the goal of the fund to deploy services to consumers in need.

¹ *High-Cost Universal Service Support*, Notice of Proposed Rulemaking, WC Docket No. 05-337, FCC 07-88 (May 14, 2007) (“NPRM”), Appendix A, Recommended Decision, WC Docket No. 05-337, FCC 07J-1 (May 1, 2007) (“*Recommended Decision*”); 72 Fed. Reg. 28936 (May 23, 2007).

² See, e.g., T-Mobile Comments, *Federal-State Joint Board on Universal Service Seeks Comment on Long-Term, Comprehensive High-Cost Universal Service Reform*, FCC 07J-2, WC Docket No. 05-337; CC Docket No. 96-45 (filed May 31, 2007).

³ *Id.*

⁴ See CTIA Comments, *Recommended Decision*, at 27-28.

In addition, T-Mobile is concerned that a CETC-only cap may violate statutory requirements of competitive neutrality and full portability.⁵ The proposed cap, to be frozen at 2006 funding levels, would particularly harm consumers in states with no designated CETC (and thus no CETC high-cost support) or little CETC high-cost support. CETCs in those states will receive little or no high-cost support, no matter how many customers they win from ILECs,⁶ and would thus have to stem deployment.

Finally, a CETC-only cap would undermine broadband deployment and the Commission's public safety goals, particularly in rural areas where broadband and E911 access are available only or largely through wireless services. Although broadband access is not a supported service, the Commission has recognized that "the network is an integrated facility that may be used to provide both supported and non-supported services."⁷ Moreover, the Commission has committed to "ensuring that appropriate policies are in place to encourage the successful deployment of infrastructure capable of delivering advanced and high-speed services."⁸ Thus, broadband deployment is indirectly enhanced via USF support for networks and infrastructure. Because wireless provides the only opportunity for some rural customers to obtain broadband service,⁹ it is even more critical that the Commission encourage wireless build-out in rural areas.¹⁰ A CETC-only cap would undercut the full portability of universal service funding targeted at high-cost consumers. In turn, opportunities for widespread broadband deployment as an indirect benefit of high-cost support will be lost.

⁵ See *Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 8801-02, 8932 (1997) ("First USF Order") (quoting Joint Explanatory Statement of the Committee of the Conference (H.R. Rep. No. 458, 104th Cong., 2d Sess.) at 113 ("Joint Statement")) (subsequent history omitted).

⁶ See *Recommended Decision* at ¶ 11 (if no CETC support in a state in 2006, no CETC will be eligible for any support in that state under the cap).

⁷ *Federal-State Joint Board on Universal Service*, 18 FCC Rcd 15090, 15095-96 (2003).

⁸ *Id.*

⁹ See Joni Morse, *Mobile WiMAX taking shape; Deployments, strategy, royalty payments likely part of emerging new business*, RCR Wireless News, July 17, 2006, Focus Sect., at 8.

¹⁰ As the Commission recently pointed out, "wireless broadband will play a critical role in ensuring that broadband reaches rural and underserved areas, where it may be the most efficient means of delivering these services." *Appropriate Regulatory Treatment for Broadband Access to the Internet Over Wireless Networks*, 22 FCC Rcd 5901, para. 17 (2007).

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For the foregoing reasons, T-Mobile is concerned that the *Recommended Decision* would not advance the Commission's goals. If the Commission adopts any interim support cap at all, T-Mobile urges it to apply the cap proportionately across-the-board to all providers receiving high-cost support.

Sincerely,

/s/ Kathleen O'Brien Ham
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