

July 20, 2007

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

Re: Notice of *Ex Parte* Communication: PS Docket No. 06-229; WT Docket Nos. 96-86, 06-150, 06-169; RM-11361; WC Docket No. 07-52; WC Docket No. 05-337

Dear Ms. Dortch:

On Thursday, July 19, 2007, Steve Largent, President and Chief Executive Officer, Christopher Guttman-McCabe, Vice President, and Paul Garnett, Assistant Vice President, CTIA – The Wireless Association® (“CTIA”), met with Commissioner Jonathan Adelstein and his Legal Advisor, Scott Bergmann, to discuss proposed changes to the high-cost universal service mechanisms. CTIA reiterated its opposition to the proposal by the Federal-State Joint Board on Universal Service’s (“Joint Board”) to cap high-cost universal service available to wireless competitive eligible telecommunications carriers (“ETCs”), which would undermine efforts to deliver high-quality, next generation mobile wireless services to high-cost, rural areas. Parties at the meeting discussed the necessity of universal service reforms that accommodate consumers’ need for universal mobility and broadband. To that end, CTIA once again urged long-term universal service reforms that promote and reward efficient and ubiquitous investment in mobile and broadband services. CTIA also warned against mechanisms that distort the competitive market by discriminating against wireless carriers. CTIA remains committed to working with the Commission, the Joint Board, and other interested parties to investigate ways to ensure that the universal service goals of the Act continue to be advanced in an evolving marketplace.

At the meeting, parties also discussed pending 700 MHz proceedings. Specifically, CTIA reiterated its opposition to proposals under consideration by the Commission, including geography-based buildout obligations and “open access” proposals. CTIA noted recent comparisons between the United States and European Union wireless industries, dispelling the notion that European consumers enjoy a better wireless experience. Specifically, CTIA highlighted the superior value and choice that American consumers enjoy:

- American wireless consumers pay 66% less per minute of use than *any* country in Europe, and 75% less than the average European consumer.¹
- American consumers average 834 minutes of use per month, more than any European country, and five times more than the average European consumer.²

¹ See Global Wireless Matrix 1Q07, Merrill Lynch, June 15, 2007.

- The market share of the top two U.S. carriers (51.5%) is lower than all European countries except one (U.K. – 49.6%) and significantly lower than the European average (76.8%).³
- U.S. carriers offer at least 10 handsets that feature integrated Wi-Fi capability.
- There are at least 44 MVNOs American consumers can choose as an alternative to facilities-based carriers. Globally, there are approximately 200 MVNOs.⁴

Finally, CTIA notes a recent article in the *Wall Street Journal* highlighting the increased availability of affordable Wi-Fi devices in the commercial wireless market.⁵

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter and a chart on universal service are being filed via ECFS with your office. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Paul W. Garnett

Paul W. Garnett

Attachment

cc: Commissioner Jonathan Adelstein
Scott Bergmann

² *Id.*

³ *Id.*

⁴ See Thomas Winter Aabo, US MOBILE VIRTUAL NETWORK OPERATORS 2007: THE DEFINITIVE GUIDE AND CRITICAL ANALYSIS OF THE US MVNO MARKET, Mind Commerce (March 2007); see also, “The MVNO Directory”, available at <http://www.mvnodirectory.com> (June 2007).

⁵ Jessica E. Vascellaro and Amol Sharma, *Cellphones Get Wi-Fi, Adding Network Options*, WALL ST. J., June 27, 2007, at B1.