

July 23, 2007

VIA ELECTRONIC FILING

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentations in PS Docket No. 06-229 and WT Docket No. 06-150

Dear Ms. Dortch:

On July 20, 2007, I spoke by telephone with Renee Crittendon, legal advisor, to Commissioner Adelstein on behalf of CTIA-The Wireless Association to discuss issues the design of the 700 MHz auction.

The discussion focused on geographic construction requirements.

Retail mobile wireless indisputably is workably competitive, which leads to the conventional assumption that special conditions and their attendant costs are unnecessary. One instance of this principle that is particularly important to rural subscribers and smaller carriers involves construction requirements. With a sufficient number of firms offering service to end users, there is every reason to believe that they will construct their systems to the maximum extent consistent with profitable operation. Regulations requiring that they build beyond the point of profitability directly and necessarily introduce internal subsidies, and with them a well-known set of distortions. One important aspect of geographic construction requirements is that they are more difficult for smaller than larger firms to absorb because larger firms enjoy the benefit of scale economies, the presence of which are not subject to serious dispute in this case. Because their costs are likely to be higher, meeting artificial construction requirements is likely to be significantly more burdensome for smaller firms and ultimately the consumers they seek to serve. Thus, if our public policies seek to avoid unnecessarily handicapping smaller carriers, they would not impose geographic buildout requirements.

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Please contact me if there are any questions regarding this filing.

Respectfully submitted,

/s/ Philip L. Verveer
Philip L. Verveer
Counsel to CTIA-The Wireless Association

cc: Ms. Renee Crittendon