



June 11, 2008

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW, TW – A325
Washington, DC 20554

Re: WT Docket Nos. 07-195, 04-356, 07-16 and 07-30 – Notification of Written Ex Parte Presentation

Dear Ms. Dortch:

Since the summer of 2006, thousands of citizens, businesses, elected officials and membership organizations have demonstrated that the creation of a free nationwide wireless broadband network would provide significant public interest benefits by helping to connect up to 120 million American citizens to broadband and increasing the consumer welfare by up to \$32 billion. However, CTIA, which claims to have a mission of “Expanding the Wireless Frontier,” and certain of its large members have opposed expanding wireless services in a way that should logically flow from CTIA’s mission statement rhetoric — *providing wireless broadband service to those that do not have it and cannot afford it.*

Instead, CTIA and several of its large members have opposed the creation of a free broadband network at every turn¹ with inconsistent and insincere arguments that expose their anti-competitive goals. The contradictory nature of this advocacy is analyzed in a separate ex parte filed yesterday by M2Z. The arguments of CTIA and certain of its members appear designed to cause confusion and ensure that Commission action on free nationwide broadband is delayed. For example, in a telephone conversation with Commissioner Michael Copps, Robert Dotson CEO of T-Mobile USA, Inc. recently “reiterated T-Mobile’s request that the Commission defer action on this issue at least until August.”²

¹ CTIA has opposed free broadband in 4 separate FCC dockets (WT Dockets 07-16, 07-30, 07-195 and 04-356). In addition, CTIA has opposed free broadband in advocacy on Capitol Hill (and elsewhere) and before the U.S. Court of Appeals for District of Columbia Circuit.

² See, e.g., Letter of Kathleen O’Brien Ham to Ms. Marlene H. Dortch, WT Docket 07-195 (filed June 10, 2008) (emphasis added). Despite two years of active debate concerning this band, CTIA and its members continue to push for open-ended delay.

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There is a simple reason for CTIA's resistance to free broadband service — it threatens the market position of CTIA's largest and most influential members. In reality, the market has not succeeded in providing affordable broadband and there is no reasonable expectation that it will do so anytime soon. Perhaps the best example of this is the Commission's recent mandate that AT&T, the nation's largest telecommunications conglomerate, offer \$10 DSL service to new customers as a condition of its merger with BellSouth.

Instead of embracing this low-cost service as a way to reach new customers, the Associated Press reported that “[t]he plan was not mentioned in a Friday news release about AT&T's DSL plans, and is slightly hidden on the AT&T Web site.”³ Even today, AT&T lists an introductory rate of \$19.95 per month, plus fees and installation charges, for DSL service, which jumps to \$39.95 a month after one year.⁴ AT&T's trend of overcharging for broadband continued on February 4 of this year when the company announced an increase in the price of its \$15, \$20, and \$25 DSL services by five dollars per month.⁵ AT&T explained that this increase of 20 to 33 percent is meant “to better reflect the value of our broadband service,” not higher operating costs.⁶ Worse yet, AT&T has recently acquired significant 700 MHz spectrum (through the secondary market and Auction 73) which will only further eliminate the threat of a potential competitor using radio spectrum to discipline the company's prices.

AT&T is not alone. In the recent past, Verizon attempted to take an action that would have effectively raised its DSL rates by approximately 10%. In late 2006, the Commission eliminated the federal Universal Service Fund fee (“FUSF”) to create parity between DSL providers and cable broadband providers, as the latter were not obligated to pay the FUSF fee. Instead of passing the savings to consumers, Verizon announced that the FUSF would be dropped from its bills and in its place would appear a new line item: “Supplier Surcharge.” Thus, Verizon's fast DSL users who had been paying \$2.83 for the universal service tax would pay \$2.70 in a Supplier Surcharge. And unlike the FUSF, the proceeds from which were passed on to the Government, the new surcharge would constitute a new revenue source for Verizon. BellSouth (now AT&T) quickly followed suit.⁷ Following consumer outrage and an impending FCC investigation, both companies scrapped the new

³ “AT&T Quietly Offers \$10.00 DSL Plan” available at <http://www.msnbc.msn.com/id/19305115>

⁴ <http://www.usa.att.com/dsl/index.jsp> (typing in a zip code leads one to the rate quote page).

⁵ See “AT&T Hikes Broadband Prices” available at http://www.usatoday.com/tech/products/2008-02-04-2897851110_x.htm

⁶ Id.

⁷ Not long after Verizon's announcement, BellSouth indicated that it planned to continue to collect its \$2.97 a month FUSF under what it entitled a “regulatory cost recovery fee.”

surcharges.⁸ If either company had *any* interest in promoting affordable broadband, it would not have taken such a commotion for the savings to have been immediately passed on to consumers—particularly with a neutral impact to the bottom line.

By these and other actions, incumbent wireless and wireline carriers have demonstrated that they lack the motivation to promote and deploy a free nationwide wireless broadband network. CTIA is simply doing their bidding. Thus, the Commission has seen in this proceeding (and particularly over the past few weeks) every conceivable argument except the real argument — that additional competition that would eat into current and exceedingly high profit margins is not welcome.

Pursuant to Section 1.1206(b) of the Commission rules, an electronic copy of this letter is being filed. Please let me know if you have any questions regarding this submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Uzoma Onyeije', written over a horizontal line.

Uzoma Onyeije

⁸ “Bell South Drops New DSL Fee”, Broadcasting and Cable available at <http://www.broadcastingcable.com/article/CA6366101.html>; “Verizon drops DSL surcharge” available at http://news.zdnet.com/2100-1035_22-6111035.html