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October 17, 2008

VIA ELECTRONIC FILING

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

Re: *Ex Parte* Notice

WC Docket No. 03-109; CC Docket No. 96-45

Petition of TracFone Wireless, Inc. to Establish a Trial Broadband Lifeline/Link Up Program

WC Docket No. 08- __

Petition of Computer & Communications Industry Association for Rulemaking to Enable Low-Income Consumers to Access Broadband Through the Universal Service Lifeline and Link-Up Programs

WT Docket Nos. 07-195 and 04-356

Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band

Dear Ms. Dortch:

The FCC has long recognized that the Lifeline and Link Up programs would eventually cover more than just voice service.^{1/} That time has now come. In the years since the Commission first concluded that access to broadband did not yet meet the statutory definition of universal service, network providers including wireless carriers have made enormous investments to deploy broadband facilities, and the number of consumers who have broadband available to them has grown exponentially. The growth in subscribers has in turn fed an explosion of goods, services and information available through broadband today. As a result, improving all Americans' ability to access broadband services – especially those that cannot afford it – should be a Commission priority.

^{1/} See, e.g., In the Matter of Federal-State Joint Board on Universal Service, 12 FCC Rcd 8776, 8821 & 8835 (1997) (recognizing that the definition of supported service is evolving and may be expanded beyond voice services as additional services are subscribed to by a majority of residential consumers); In the Matter of Federal-State Joint Board on Universal Service, 18 FCC Rcd 15090, 19093 (2003) (concluding that advanced services did not meet the criteria for supported services “at this time,” but recognizing that such services were even then becoming “increasingly important”).

The Commission has before it two thoughtful proposals that could actually help bring broadband within the reach of low-income consumers. TracFone Wireless, Inc. (“TracFone”) and the Computer and Communications Industry Association (“CCIA”) recently filed petitions urging the Commission to establish a Broadband Lifeline/Link Up service to eligible low-income households.^{2/} We believe these petitions are worthy of serious consideration by the Commission on an expeditious basis.

The proposal embodied in the Tracfone and CCIA petitions stands in stark contrast to the illusory promise of “free broadband” presented by M2Z Networks, Inc. (“M2Z”). M2Z’s proposal is not only risky in these economic times, but will also do nothing to advance the Commission’s goal of increasing broadband availability to those lacking the means to obtain such service today, for its proposed service is neither “free” nor “broadband.”^{3/} If anything, adoption of M2Z’s plan would undermine the availability of wireless broadband by creating harmful interference to customers of services provided in the AWS-1 band by providers that are spending billions of dollars *today* to provide real broadband throughout the country. Government-mandated “free” service would also reduce the incentives of these companies to invest in basic broadband service, actually reducing the choices and availability of those services.^{4/}

As CCIA correctly points out, the problem is not too little network deployment, but rather that low-income households do not subscribe to the broadband services that are available. It therefore urges the Commission to “address the low-income broadband gap head on, right now,”^{5/} and notes that “[t]argeted low-income support programs for existing services are more effective at increasing availability of broadband and low-income subscribership than a mandate for free service on some future network that has yet to be built, much less generate commercial revenues that could support service offerings at no charge.”^{6/}

^{2/} Lifeline and Link-Up, Federal-State Joint Board on Universal Service, WC Docket No. 03-109, CC Docket No. 96-45, Petition of TracFone Wireless, Inc. to Establish a Trial Broadband Lifeline/Link Up Program (filed Oct. 9, 2008) (“TracFone Petition”)(suggesting a trial program of 500,000-1,000,000 low-income households in selected markets); Computer & Communications Industry Association, Petition for Rulemaking to Enable Low-Income Consumers to Access Broadband Through the Universal Service Lifeline and Link-Up Programs, WC Docket No. 08- __ (filed Oct. 7, 2008) (“CCIA Petition”).

^{3/} To get M2Z’s service, a customer would first have to buy a device from M2Z with an upfront cost of \$250-\$300 – on top of the cost of a laptop or PC. And M2Z’s service would deliver a downstream speed of only 768 kilobits per second. Wireless carriers already provide faster speeds than that today. By 2013, when M2Z rolls out service, 768 kilobits will be the equivalent of dial-up today.

^{4/} See Letter from AT&T, *et. al.*, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 07-195 (filed Sept. 10, 2008).

^{5/} CCIA Petition at ii.

^{6/} *Id.* at 3.

Ms. Marlene H. Dortch

October 17, 2008

Page 3

TracFone similarly observes that “[d]espite the fact that broadband access to the Internet has been deployed to many households, broadband services remain economically beyond the reach of all too many low-income households,” and that including support for broadband services in the Lifeline/Link Up programs “would be an important step in bridging that divide.”^{7/}

If the Commission is serious about bringing the benefits of broadband to low-income consumers, it should act quickly on the TracFone and CCIA proposals to expand the existing low-income universal service programs that are specifically designed to subsidize connectivity for users who need the help – rather than rushing to adopt M2Z’s fundamentally flawed plan. Weighing down the AWS-3 spectrum auction with an uncertain “free broadband” business plan that is certain to devalue the spectrum and deprive consumers of real broadband competition is no way to further this important goal, and is unnecessary if the Commission acts directly to make broadband affordable.

Sincerely,

/s/

Thomas J. Sugrue

Vice President, Government Affairs

^{7/} TracFone Petition at 2.